THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

Some Views on the Entertainment of Senators

Are The British Going Back To The Anglo-Japanese Alliance?

Japan's Suicidal Policy in Shantung
By C. Y. W. Meng

Does China Want America's Friendship?
By Bishop George R. Grose

Has the Nationalist Revolution Failed?
By J. B. P.

Tsingtao
By G. W. M.

評論報 密勒氏

SATURDAY, JULY 30, 1927

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When tobaccos are good enough to speak for themselves

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THAT'S the one way to give men what they want in a cigarette—natural tobacco taste. Each type of tobacco should contribute — one its spicy tang, one its rich aroma, one its mellow "body," one its mild sweetness; and if the quality is right and the blend is right, that's all there is to it.

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It is so difficult, in fact, that millions of smokers sincerely believe it has been achieved in only one blend in the world.

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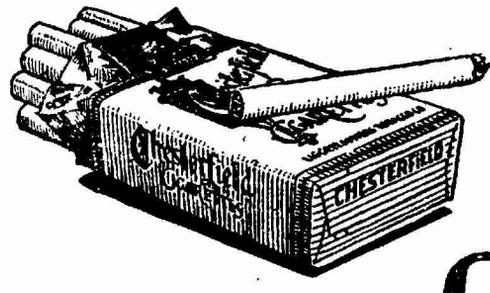

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Siam	South Africa	Greece
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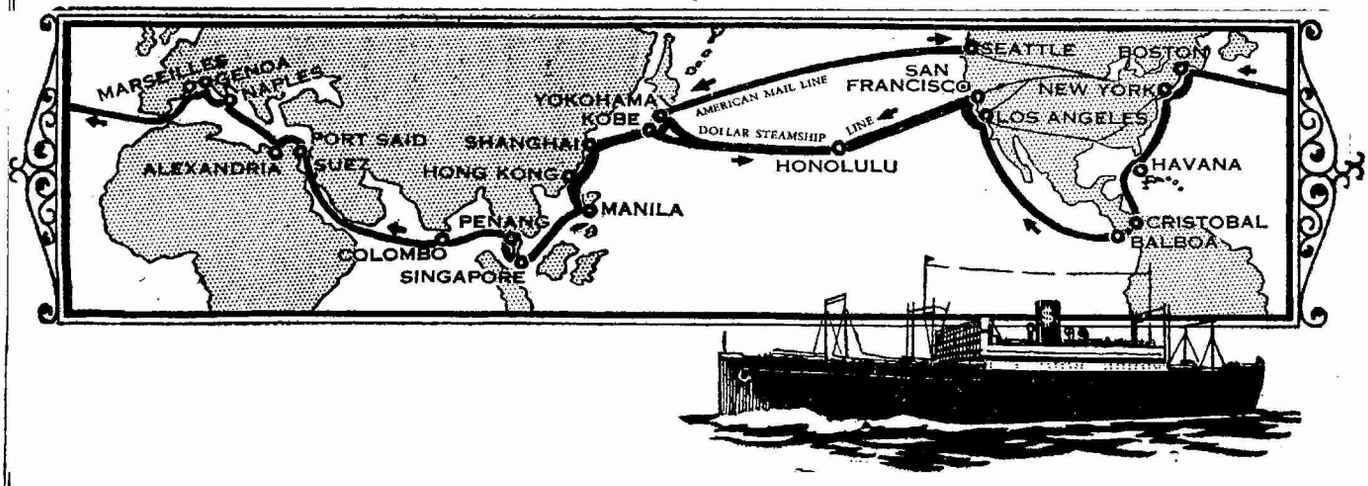

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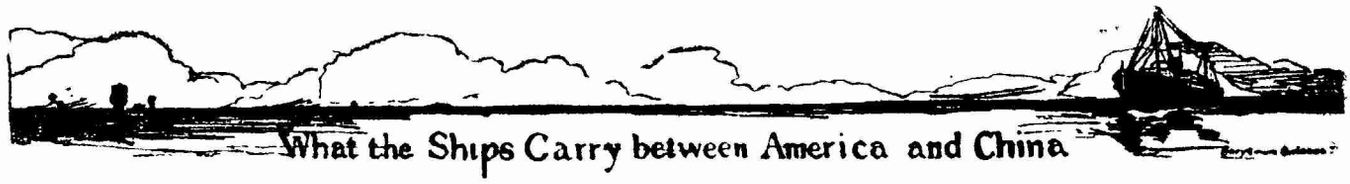

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mil's—thousands; Hk. Tls.—Haikwan Tls., Aug. Customs Rate Tls. 1.49 equal Gold $1

AGAPENOR, June 25.
To New York.

Bristles, Assorted.....	Pls.	100
Egg Albumen, Dried ..	,,	84
Hides, Cow	,,	135
Seed, Sesamum	,,	420
Rugs	Hk. Tls.	3,574

To Boston.

Egg Albumen, Dried..	Pls.	29

VOLUNTEER, June 27
from U. S. A.

teel, Galvanized:		
Wire Shorts.....	Pls.	1,253
Cotton Raw, Amer Bls.		
2,447.....	,,	8,646
Turpentine, Vegetable .	Galls.	500

ASIATIC PRINCE, June 27.
from U. S. A.

Aluminium Foils	Pls.	12
Iron Wire Cloth	,,	8
Tinned Plates, Plain...	,,	1,706
,, ,, Scrap ..	,,	425
Flour, Corn	,,	50
Indigo Paste, Artificial:		
20 per cent.....	,,	256
Leather, Sole, Bellies & Shoulders	,,	15
Leather, Calf.....	,,	1
,, Unclassed ..	,,	6
Oakum	,,	9
Petrolatum	,,	146
Soap, Powder.....	,,	26
Soda Ash.....	,,	63
Starch	,,	621
Tobacco, Leaf.... ..	,,	5,333
,, Prepared.....	,,	1
Machines, Sewing ..	Pcs.	4
Cigarettes	Mille.	70,600
Oil, Lubricating, Mineral	Galls.	20,312
Dyes, Aniline Pkgs.		1,194
.....	Hk Tls.	24,320

SELMA CITY, June 27.
From U. S. A.

Steel, Bamboo.....	P's.	281
,, Nails, Cut	,,	300
,, Sheets	,,	1,309
Steel, Galvanized:		
Sheets Plain	,,	1,678
Tinned Plates, Plain...	,,	3,967
Tobacco, Leaf	,,	7,843
Cigarettes	Mille	52,500

ECLIPSE, June 28.
From U S. A.

Shirtings, Yarn-dyed ..	Yds.	2,018
Cotton Duck	,,	17,628
Glucose	Pls.	27
Grease	,,	506
Petrolatum.....	,,	499
Oil, Lubricating, Mineral	Galls.	12,621

From Manila.

Alcohol	Galls.	23 968

PRESIDENT VAN BUREN, June 29.
from U S. A.

Artificial Leather Cloth	Yds.	235
Cotton Roller Flannel..	,,	1,048
Oilcloth	,,	3,900
Waterproof Cloth	,,	871
Cotton Yarn, Grey, Gassed	Pls.	5
Cotton Blankets.....	,,	2
,, Embroidery....	,,	5
Brass Tubes	,,	1
Copper Wire Cloth ..	,,	4
Iron Bolts	,,	11
Steel Wire Nitting....	,,	229
Steel, Galvanized:		
Wire Netting.....	,,	18
Iron Pipe Fittings	,,	32
Tinned Plates, Plain ..	,,	2,102
Zinc Plates	,,	78
Asparagus Canned....	,,	31
Apriets, Dried	,,	3
Cheese.....	,,	2
Fruits, Canned	,,	75
Grapes, Fresh.....	,,	45
Indigo Paste, Artificial, 20 per cent.	,,	259
Ink, Printing.....	,,	38
Leather, Calf.....	,,	1
,, Patent	,,	4
Leather, Sole, Shoulders	,,	56
,, ,, other kinds	,,	93
Oranges, Fresh	,,	1,762
Plums, Dried.....	,,	94
Paper, Bank-note	,,	2
,, Writing.....	,,	204
,, Unclassed	,,	84
Paints, Unclassed	,,	54
Quaker Oats	,,	59
Raisins	,,	959
Sugar, Cube	,,	16
Tobacco, Prepared	,,	2
Mirrors	Pcs.	11
Motor-cars	,,	31
Safes	,,	12
Typewriters	,,	24
Coffee	Gatties	153
Cigarettes	Mille	11,875
Lemons	,,	5
Oil, Lubricating, Mineral	Galls.	941
Varnish	,,	1
Shoes, Canvas	Pairs.	384
,, Rubber	,,	2,926
Dyes, Aniline *Pkgs.*		291
.....	Hk. Tls.	7,565
Infants' Food....	,,	15,836
Treasure:		
Silver Bars	,,	613,419

PRESIDENT VAN BUREN, June 30.
To New Bedford

Silk, Waste:		
Shanghai....Bls. 41	Pls.	121.31

To New York.

Tea, Leaf, Unfired, other Ports	,,	75
Antimony, Regulus....	,,	672
,, Crude	,,	420
Bristles, Assorted.....	,,	203
Camphor	,,	44
Cotton, Waste.....	,,	101
Egg Albumen, Dried ..	,,	554
Lacquerware	,,	48
Oil, Wood	,,	581
Skins, Goat, Untanned	,,	543
Tungsten Ore.....	,,	2,100
Wool Sheep's.....	,,	1,256
Skins, Tibetan	Pcs.	10,746
Carpets.....	Hk. Tls.	2,721

To Boston.

Silk, Waste:		
Shanghai ...Bls. 15	Pls.	48.72
Egg Albumen, Dried ..	,,	84
Hides, Cow	,,	265
Skins, Goat, Untanned	,,	1,746

PRESIDENT McKINLEY, July 1.
To Boston.

Silk, Cocoon Strippings Bls. 1	Pls.	3.09

To South Manchester.

Silk, Raw, Steam Filature: White, Shanghai Bls.		
20	Pls.	20

To Ottawa.

Brassware	,,	4

To Birmingham.

Brassware	,,	7

To Buffalo.

Silk, Raw, Steam Filature: White, Shanghai Bls.		
195	,,	192.65

To Chicago.

Tea, Green: Gunpowder, Ningpo	,,	300
Tea, Green: Gunpowder, Kiukiang	,,	162
,, other Ports	,,	900

To Dallas.

Brassware.....	,,	5

To Elkhorn.

Carpets.....	Hk. Tls.	262

To Hoboken.

Silk, Raw, Re-reeled: White, Shanghai Bls.		
5	,,	5.14

To Huntingdon.

Silk, Raw, Steam Filature: White, Shanghai Bls.		
115	Pls.	133.20

To Luzerne.

Silk, Raw, Steam Filature: White, Shanghai Bls.		
20	Pls.	19.74

To Philadelphia.

Skins, Goat, Untanned	Pls.	385

To Portland.

Egg Albumen, Dried...	,,	23

To New York.

Silk, Raw, Steam Filature: White, Shanghai Bls.		
83	,,	83.57
Tea, Black, Congou, Shanghai.....	,,	3
Brassware	,,	8
Intestines Pigs, Salted	,,	58
Skins, Hare, Untanned	Pcs.	11,540
,, Sheep, ,,	,,	2,000
Hats, Rush.....	,,	133,248

To Seattle.

Tea, Green: Gunpowder, other Ports	Pls.	5
Hyson, other Ports	,,	24
Young Hyson, other Ports.....	,,	23
Oil, Wood	,,	9,225
Carpets .....Hk. Tls.		659

To Vancouver.

Carpets .....Hk. Tls.		290

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—While the demand for the local staple showed no improvement owing to the continued sluggishness in the yarn situation, prices, on the whole, maintained a steady position during the major portion of the past week, featuring fluctuations within a very narrow range. Receipts from the interior marts may be said to have been of the same volume as last reported but such did not meet with the same avidity as transpired in the previous period, and at the close the tendency is steady, with signs of great sensitiveness to a conversion to firmness upon any palpable demand. This situation may be ascribed to a certain extent to the influence of the continued strength in both Mid-Americans and Indians, where the expectations are for further advances.

Temporary reactions may set in, in which event it becomes almost imperative to take advantage of any favourable rates which will eventually prove remunerative.

Yarn:—While our market during the early part of the week intimated a firmer tendency, a somewhat easier undertone ensued at the close, and the net change in prices shows an advance of Tls. 1.00 to Tls. 2.00 when compared with those prevailing in the previous period. Business for export has been booked some 5,000 to 6,000 bales in all counts during the week under review.

Liverpool:—

American-Middling	9.78
American-Middling last reported	9.52
Tone of the Market, *Firm*	

New York Market:—

Price of Mid-Amer.	18.30 Spot.
	18.46 July.
	18.73 Oct.
	18.80 Dec.
	18.98 Jan.
	19.13 Mar.

Tone of the market—*Firm*

Indian Market:—

Fully Good Bengal, D./J.	321
Fine Oomra, July.....	349
Fully Good Broach, J./A.	353
Tone of the market—*Firm*	

Shanghai Market:—

	Tls.
Tungchow, spot exwharf	37.00
Shanghai, Spot.....	36.00
M. Ginned, Spot.....	36.50
Shensi, No. 1 Spot.....	37.50
Ningpo. Spot, Exwharf.	35.50

Tone of the market—*Firm*

Shanghai-Nanking Railway Abridged Time Table.

Main Line—Shanghai-North to Nanking.

UPWARD

STATIONS		Local	Fast	3rd & 4th Local	Express	3rd & 4th	Local	Fast	Local	Local	Local	Night Express
Shanghai North	dep.		7.00	7.20	8.50	9.05	12.15	12.40	14.20	16.10	18.10	21.30
Nansiang	,,		7.28	7.50	—	9.39	12.44	13.08	14.59	16.41	18.42	22.04
Anting	,,		7.49	8.19	—	10.10		13.30	15.30	17.03	19.07	—
Kunshan	,,		8.17	8.48	10.11	10.51		14.04	16.08		19.44	—
Soocho	,,		9.11	9.53	10.54	12.04		14.57	17.14		20.36	24.00
Wusih	,,	6.35	10.13	11.05	11.50	13.30		15.50	18.28		21.35	1.14
Changchow	,,	7.51	11.14	12.07	12.47	14.48		16.55	19.32			2.30
Tanyang	,,	8.58	12.16		13.40	15.58		18.00				3.35
Chinkiang	,,	10.05	13.10		14.23	17.09		19.00				4.40
Nanking	arr.	12.05	14.45		15.40	19.19		20.30				6.25

Main Line—Nanking to Shanghai-North.

DOWNWARD

STATIONS		Local	Local	Local	Fast	Express	Local	3rd & 4th Local	3rd & 4th	Fast	Local	Night Express
Nanking	dep.				7.05	9.10			9.25	12.30	16.35	21.30
Chinkiang	,,				8.46	10.46			11.40	14.30	18.54	23.43
Tanyang	,,				9.28	11.25			12.45	15.28	19.50	0.32
Changchow	,,		6.45		10.36	12.39		13.05	14.08	16.44	21.11	2.10
Wusih	,,	5.30	7.55		11.45	13.32		14.20	15.45	17.47	22.15	3.21
Soochow	,,	6.26	9.09		12.45	14.26		15.45	17.10	18.51		4.35
Kunshan	,,	7.19	10.13		13.32	15.03		17.10	18.24	19.42		—
Anting	,,	7.51	10.47		14.04	—	17.15	17.45	19.09	—		—
Nansiang	,,	8.15	11.12	13.15	14.24	—	17.37	18.09	19.40	20.31		6.06
Shanghai North	arr.	8.40	11.37	13.44	14.50	16.00	18.03	18.42	20.10	20.55		6.30

From the 25th May, 1927.

Shanghai-Hangchow-Ningpo Railway Abridged Time Table.

Shanghai North to Zahkou DOWN — **Main Line** — Zahkou to Shanghai North UP

STATIONS		Fast Local	Express R	2nd 3rd & 4th	Fast R	Fast Local	Night Exp. R	Local
			*	*	*	*	*	
Shanghai N.	d.		8.05	9.15	13.30	15.35	18.30	
Jessfield	d.		8.21	9.32	13.46	15.51	18.46	
Siccawei	d.		8.27	9.40	13.53	15.58	18.53	
Lunghwa J.	d.		8.40	10.02	14.07	16.14	19.05	
Shanghai S.	d.		8.15	9.30	13 40	15.45	18.40	19.35
Lunghwa J.	a.		8.34	9.49	13.59	16.06	18.59	19.54
Sungkiang	d.		9.20	11.00	14.53	17.08	19.45	
Kashai	d.		10.09	12.07	15.48	18.10	20.38	
Kashing	d.	7.40	10.40	12.49	16.23	18.35	21.10	
Yehzah	d.	8.25	11.14	13.40	17.03	(a)	21.44	
Changan	d.	9.18	11.49	14.32	17.44		22.19	
Hangchow	d.	10.34	12.45	16.00	18.55		23.15	
Zahkou	a.	10.50	13.00	16.25	19.10		23.30	

STATIONS		Fast Local	Express R	2nd 3rd & 4th	Fast R	Fast Local	Night Exp. R	Local
		*	*	*	*	*		
Zahkou	d.		7.15	9.05	13.35	15.25	17.45	
Hangchow	d.		7.40	9.40	14.00	15.51	18.10	
Changan	d.		8.32	11.05	15.06	17.03	19.02	
Yehzah	d.		9.03	12.03	15.43	17.46	19.33	
Kashing	d.	7.35	9.44	12.57	16.32	18.25	20.15	
Kashai	d.	8.06	10.08	13.35	16.59	(a)	20.41	
Sungkiang	d.	9.15	11.01	14.48	17.58		21.36	
Lunghwa J.	d.	10.11	11.41	15.53	18.47		22.16	8.41
Shanghai S.	a.	10.30	12.00	16.12	19.07		22.35	9.00
Lunghwa J.	d.	10.10	11.42	15.48	18.45		22.17	
Siccawei	d.	10.19	11.49	15.57	18.54		22.24	
Jessfield	d.	10.26	11.56	16.05	19.01		22.31	
Shanghai N.	a.	10.40	12.10	16.20	19.15		22.45	

Konzenchiao-Zahkou (Kiangshoo Branch Line) Zahkou-Konzenchiao

Konzenchiao	d.	7.05	9.30	11.45	13.50	17.30	21.50	Zahkou	d.	8.15	10.35		15.10	18.35	22.55
Kenshangmun	d.	7.21	9.48	12.01	14.10	17.46	22.06	Hangchow	d.	8.34	10.54	12.38	15.29	18.58	23.18
Hangchow	d.	7.38	10.00	12.12	14.23	18.03	22.18	Kenshangmun	d.	8.46	11.06	12.51	15.46	19.11	23.31
Zahkou	a.	7.55	10.20	(a)	14.40	18.20	22.35	Konzenchiao	a.	9.00	11.20	13.05	16.00	19.25	23.45

Note:—The four East Local Trains suspened running until further notice.
Trains marked with* are in connection with S.N.L. Trains at Shanghai North.
R—Restavrant.

MEI LAN FONG & GOLDEN DRAGON

THE TWO GREAT PILLARS OF OUR PRODUCTS.

THEY ARE GOOD SMOKES FOR A CONNOISSEUR AND PLEASANT GIFTS FOR HIS FRIENDS

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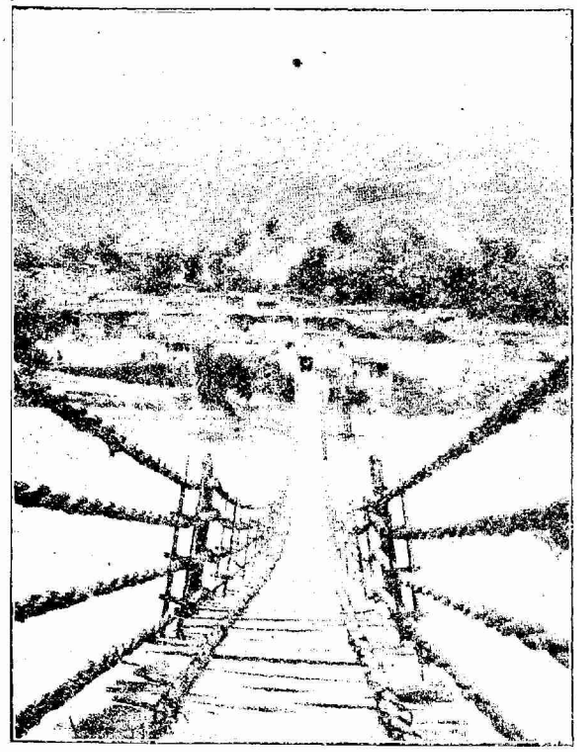

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Through the activities of the United States Steel Products Company, men who have been separated by impassable mountains, broad rivers, and trackless wastes have been able to get together—to know one another—to give and take in the broad channels of industry.

No longer does the blueclad coolie in China depend on swaying bridges of bamboo and hemp, stayed by the strength of two sturdy willows, to carry him over the river to the only outside world he knows. He uses a steel bridge—a link in the chain winding round the world, welded by the friendly hand of steel.

Lacelike steel bridges of monster strength span the rivers of the old Dragon Kingdom today and the swaying bridges of Cathay have vanished in the white breath of steel locomotives.

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when the Chinese authorities announce a new program of taxation, which may, in certain respects be contrary to treaties which were made a half century and more ago and which everybody of intelligence knows should be revised, the British yell about legality and demand that the Chinese be prevented for enforcing their new program. The British fail to see any inconsistency in their attitude, which, apparently explains why God made Englishmen without a sense of humor!

WHAT IS THERE TO THIS QUESTION OF 'LEGALITY?'

WHEN the Chinese seek to take any action which can be interpreted as being contrary to some old-and-out-of-date treaty, the foreigners, particularly the British, raise a great hue and cry about 'legality.' "The Chinese are violating the treaties: the Powers should intervene to enforce treaty observance," "The Chinese can't increase their customs duties because it's contrary to the treaty," "The Chinese can't have representation on the Municipal Council because it is contrary to the land regulations," and so on, are the statements which we constantly hear every time the Chinese move to obtain some right which everybody admits they are entitled to and which most present-day world statesmen have declared should be granted. But purely because some technicality has prevented the actual revision of the treaty, such as the French action in blocking the carrying out of the Washington Conference mandate, in 1922, the Chinese are to be forever held down by the cry of 'legality." But on the other hand when the British brought their troops to Shanghai they placed their advanced lines outside of the borders of the foreign area which certainly was illegal. Their airplanes constantly fly over Chinese territory which is a violation of international law as well as their own domestic laws pertaining to aviation rights. The British police in Shanghai take abitrary action in picketing a foreign consulate and illegally attempt to search visitors entering or leaving that consulate. British banks use British gunboates in open violation of a regulation of the local Chinese Government which had declared an embargo on the export of silver to territories under control of enemies of the local regime and at the same time the local British police raid a Russian bank in the Settlement because it is under suspiction of remitting funds to the Wu-Han Government. When it comes to observance of law the British have been the greatest and most notorious violators in China. The constant demands of the local 'die-hard' British crowd for the use of force in settling their troubles in China is in itself an admission that the British care nothing for the observance of international law in the settlement of disputes between nations. The Chinese are being taught constantly that law-observance is only for the weaker party and that the nation possessing the military strength is under no obligation to observe laws or treaties or anything else, if it suits its purpose not to do so.

JAPANESE DIPLOMACY

THE Japanese undoubtedly do many things to irritate Chinese public opinion, but after all they live closer to the Chinese than westerners generally do, and undoubtedly are willing to stretch a point occasionally to insure Chinese good will. Take for instance the following incident reported by a traveller by a Japanese boat to the North several weeks ago. A wordy battle below decks attracted this traveller to the third class quarters. There in plain view were half a dozen Chinese calmly smoking opium, and others had their opium pipes handy ready to take a whiff when they were so minded. Some of the Russian passengers objected, and in their protests to the Chinese emphasized that it was a Japanese ship, and not a Chinese ship, and that opium smoking was against the Japanese regulations. In due course one of the Japanese officers was called to the scene to adjudicate the matter. The spokesman of the Chinese was a man who spoke excellent English, who himself didn't smoke, but he championed the cause of his fellow-countrymen who desired to smoke on purely patriotic grounds. Behold Japanese diplomacy! With a perfectly straight face the ship's officer (speaking English, which the majortiy of the passengers could not understand) said to the Chinese spokesman: "Will you please explain to these passengers that this is a Japanese ship and opium-smoking is not permitted." There was then some more conversation not germane to the subject, and then the officer continued: "Of course, if these Chinese passengers want to smoke we can provide a private room for them, where they can smoke without disturbing the other passengers." Great glee among all the Chinese passengers!

A CHINESE OPIUM MONOPOLY

THE situation in China with regard to opium is somewhat similar to that existing in the United States in relation to booze. Officially they are both taboo, but as a matter of fact they are very largely used by the general public. The Nanking Government has now taken the step of declaring a monopoly on opium, a business which is illegal. It is as though the American Government, with the Prohibition Amendment making the traffic in intoxicating liquors illegal, were to establish a bureau to control the sale of liquor. Undoubtedly the action of the Nanking government ie quite illogical. Time alone will tell whether the means used will lead to the declared end. The Nanking government states that its object in establishing the monopoly of opium is to bring about its total suppression within three years That there is a huge business done in opium in China generally may be judged from the fact that it is reported that the Wing Ding Co of Shanghai has offered more than fifteen million Mexican dollars to secure the exclusive sale of opium in the provinces of Kiangsu and Chekiang for one year. When it comes to raising money out of the foibles of the people most governments are alike, except that the United States has balked at making any money out of the liquor traffic. But the Nanking government probably figures that if the traffic in opium is going to continue anyhow the government might as well have the profit legally rather than it should go to smugglers, many of whom are foreigners.

China In the Electrical Industry

The June number of *The Digest*, organ of the International General Electric Company of Schenectady, N. Y., contains on the front cover a picture showing Chinese glass-blowers producing electric light bulbs at the Shanghai factory of the China General Edison Company. Another picture from the same factory showing a Chinese girl operating a machine, carries the inscription, "The production of this plant has continued on a normal basis in the midst of the upset conditions of China." There are several interesting articles in the issue including one dealing with the Aso Hydro-electric Plant of Japan.

Some Thoughts on the Matter of Entertaining Senators!

BY J. B. P.

FOR MANY weeks and months American Senators and Representatives have been coming out to the Far East to investigate conditions. In some cases these legislators have only visited in Shanghai or one or two other coastal ports such as Hongkong or Tientsin, but in other cases trips have been taken to the far interior and a thorough investigation made. In the case of Senator Hiram Bingham of Connecticut, he is said to have traveled some 10,000 miles through the interior of the country reaching such distant points as Taiyuanfu in Shansi province and Ichang on the Upper Yangtsze. He visited the headquarters and interviewed practically all of China's military and political leaders with the exception of the 'Christian General' Feng Yu-hsiang. Senator Bingham was in Chengchow, Honan province a few hours before the Fengtien troops evacuated and had he waited a few hours he might have seen the Christian General, who was at that time advancing eastward from Shensi, but the shooting and disorder incidental to the departure of the Fengtien troops and the arrival of the Kuominchun made it rather uncomfortable and unsafe for an American Senator, so he got out by heading for the north with Gen. Chang Hsueh-Liang, son of the Mukden warlord. Senator Bingham ought to write a book about China for he certainly saw enough of the country and had more interesting, not to say thrilling experiences, than befalls the lot of most visitors to this country. It is commonly reported that Senator Bingham was sent out here by President Coolidge in order that the President could have some ammunition for use against Borah, but that's beside the question which we started out to discuss.

Practically all of these Senators and Representatives spent considerable time in Shanghai and investigated the various problems here, interviewing both foreigners and Chinese. The American Chamber of Commerce in Shanghai naturally paid considerable attention to these congressional visitors, entertaining them at luncheons and dinners, and incidentally, presenting along with the soup and fish, the Chamber's views on China questions and listening in turn to the senatorial reactions. The Chamber also, according to report, presented the American legislators with considerable literature dealing with China and while some of the Senators rather strenuously objected to being loaded down with copies of the *North-China Daily News*, the 'official' British organ here, we suppose there can be no objection to this for the Chamber undoubtedly has a right to air its views and pass out British propaganda regardless of whether the rest of the American community agrees with those views or not.

But the point we wish to discuss and which we believe will be of interest to the general membership of the Chamber as well as to the American commercial community generally, is that all of these entertainments of 'prominent' American visitors to Shanghai have been monopolized by the Committee of the Chamber to the exclusion of the general membership of the organization. In order to make our point clear, it should be explained that since the passing of the American Association, the American Chamber of Commerce remains as the only organization of importance in the American community. Its membership is composed of merchants of high and low degree, meaning by this that the membership includes such firms as the Standard Oil Company of New York which has an extensive business and large holdings in China, and it also includes in its list a considerable number of smaller firms which do a comparatively limited business in China. The total number of American business firms in Shanghai, large and small, is approximately 350 according to the latest compilation of the U. S. Department of Commerce, of which number possibly 100 are members of the Chamber. The smaller firms, many of them 'one-man' concerns, holding a few agencies for American manufacturers, naturally constitute a majority of the membership. In many ways these smaller firms are of more importance, potentially, to the future of American business in China than the large concerns due to the fact that they are engaged in the introduction of *new* American products into China,—automobiles, soaps, typewriters, machinery, building materials cosmetics, flour, and so on,—products of farm, mine and factory. We do not wish to minimize the importance of the big concerns, but most of them are big enough to look after themselves. It's the little fellows who are particularly interested in such support as the Government or trade organizations such as the Chamber of Commerce should be able to render.

Naturally all of these firms, large and small, members of the Chamber and non-members, are interested in the up-building of American trade, hence must be interested in the subject of American policy. Therefore, when an American Senator or Representative comes to China with a message or opinion on American policy toward China it is a matter of interest for everybody, the small merchants as well as the big merchants. As a matter of fact it is of more importance for the little fellows to keep in touch with American policy than it is for the big ones, for the larger firms with large capital back of them are able to weather storms while the smaller firms with limited capital are often wiped out by sudden changes which the big firms are able to withstand. But the American Chamber is neither organized nor operated on the principle of service to the smaller firms. The executive committee of the Chamber is composed of eleven members, chosen usually from the representatives of the larger firms, the voting privilege being arranged in such a way that the smaller firms do not have much voice or influence in the organization. This is particularly true from the standpoint of election of officers, due to a provision in the constitution which permits the larger firms which pay annual dues of Tls. 150 to have three votes, while smaller firms able to pay only Tls. 50 a year only have one vote. But the mere fact that a firm is small and only able pay dues of Tls. 50, should not exclude the manager or proprieter of that firm from the benefits of the Chamber, for reasons enumerated in the foregoing.

But the small concern has, in effect, been excluded from the larger benefits of membership in the Chamber, for in no single instance has the Committee of the Chamber permitted the membership at large a 'look-in' when conferences have been held incidental to the entertainment of the various Senators and Representatives who have been in Shanghai recently, when the Chamber's views were presented and the visitor's views on current topics obtained in return. In some cases this may have been unavoidable owing to the difficulty of getting word around to the entire membership owing to limited time, visitors having a

habit of dropping into Shanghai between steamers, but in most cases there was ample time for arranging conferences, luncheons, dinners and so on, in order that the entire membership might have had an opportunity to present their views and receive the visitor's views in return.

When Senators of the type of Hiram Bingham, Burton K. Wheeler, Guy D. Goff, or Representatives of the type of Leonidas C. Dyer, are in Shanghai, surely the American business community at large is interested in their views. In the case of Senator Bingham this was particularly true owing to the fact that he, according to popular report, was in China for the purpose of investigating conditions on behalf of the President, Senator Bingham being an influential member of the Senate Committees on Foreign Affairs and Naval and Military Affairs. We mention Senator Bingham especially because when he was entertained by the *Committee* of the Chamber he made an exhaustive survey of conditions in China and then outlined his views on what American polioy toward China should be, going into great detail and covering the questions of treaty revision, use of force, recognition, and so on. All members of the press were excluded from this meeting and *only* the officers and members of the Committee were permitted to be present. Now this wouldn't have been so serious, had the secretary of the Chamber, following the meeting, issued a report on the conference for the information of the membership of the Chamber at large, but this was not done as the monthly *Bulletin* for July shows. This *Bulletin* contains absolutely no mention whatever of the fact that a conference was held with Senator Bingham. Furthermore, there wasn't a single Shanghai newspaper (with the exception of *The China Weekly Review* which obtained an interview with Senator Bingham independently) that published a line about the Senator's views. And to make matters still worse, the secretary of the Chamber went out of his way in an attempt to prevent American newspaper correspondents in Shanghai from seeing Senator Bingham, the representative of one of the leading American press associations being told by the secretary of the Chamber that it was useless to see Senator Bingham "as the Senator was making no public statements while in Shanghai." This of course was pure nonsense for immediately after the Chamber conference the Senator received the correspondents in his apartment at the hotel and outlined to them the remarks which he had made at the Chamber conference. Then when the Senator learned of the attempt to suppress his views, he went immediately to the Bureau of Foreign Affairs and personally informed Dr. C. C. Wu, Minister of Foreign Affairs of the Nationalist Government exactly what he had said to the Committee of the Chamber and what he intended to report to President Coolidge upon his return to Washington.

This attempt on the part of the secretary of the American Chamber, whether done with or without the sanction of the Committee, to suppress the views of Senator Bingham, was, in our opinion, a most serious matter, for obviously it is important that American business men in Shanghai generally, should be kept informed of the policy of their own Government, regardless of whether the Committee of the Chamber approves of that policy or not. Senator Bingham, according to the interview which he gave to American newspaper correspondents and which was published in the July 9 issue of *The Review*, made two declarations which were in direct opposition to the expressed views of the American Chamber: First, that armed intervention in China is out of the question; and second, that the treaties must be revised immediately. The Chamber, or at least the previous Committee of the Chamber, sent cables to Washington favoring armed intervention and opposing treaty revision. No one questions the right of the Committee of the Chamber to its views on this subject and the Committee is to be complimented for having the courage to make its views public, but on the other hand neither the Committee of the Chamber, nor the secretary, has any right, constitutional or moral, to suppress from the membership at large, views with which it is not in agreement. Obviously the membership of the Chamber, whether it pays dues of Tls. 150 a year or even $10 a year, has a right to know what the Committee is doing and an unquestioned right to be informed regarding declarations on American policy which Senators or Representatives may make to the Committee of the organization.

Elsewhere in this issue of *The Review* is reprinted a rather plaintive statement from the American Chamber under the heading "The Truth Must Win," which is reproduced from the last issue of the Chamber's *Bulletin*. We use the word 'plaintive' for the article attempts to explain that the Chamber's attitude has been "misrepresented both here and abroad" and that the Chamber, after all, is in favor of a "square deal for the Chinese," the sort of 'square deal' we presume, which is suggested by the Charmber's demand for armed intervention, *"immediate concerted action by the Powers to restore a condition of security for foreign lives and properties in all the treaty ports and to recover all foreign properties which have been destroyed or confiscated...which result would not be difficult to attain with the naval forces now in Chinese waters."*

The sentence above which is italicised is from the cablegram which the former Committee of the Chamber caused to be sent to the United States on the subject of intervention, and its reproduction in the statement by the present Committee indicates that the Chamber, despite the declaration of President Coolidge and almost unanimous disapproval on the part of the American press, not to mention the declaration of Senator Bingham, and to go still further afield, the declaration of Sir Austen Chamberlain of Great Britain, still favors intervention. *The Review* has no desire to carry on a controversy with the American Chamber of Commerce on the subject of intervention, which is now a dead issue, at least from the standpoint of the United States and Great Britain. Despite all of the noise which was made in Shanghai about intervention, it is extremely questionable as to how generally this scheme of the Shanghai 'die-hards' was supported. In the American business community, aside from the National City Bank, the management and methods of which, in Shanghai, are almost entirely British, and a few other concerns which are closely allied with British and Japanese interests, or local municipal interests, it is extremely doubtful whether the American Chamber of Commerce could pass a resolution favoring intervention. None of the resolutions favoring intervention which the Chamber has adopted, have ever been brought before the membership for discussion. They were passed by the Committee and transmitted to Washington without reference to the membership of the organization. It is true that the Committee always presents a summary of its work during the year to the annual meeting for approval, but there is no time or inclination then to go into a mass of matters which have passed into history. Furthermore there would be no particular point in discussing or voting upon something which the Committee had done six months or a year previously.

There is no questioning the fact that the American Chamber is 'misunderstood' and it will continue to be misunderstood just so long as the American commercial community in Shanghai permits a small group of men (eleven in number) to meet in secret session and pass resolutions on matters of international political significance which are taxing the brains of the statesmen of the world, and doing so without even referring the questions to the membership of the Chamber for consideration. The mere fact that eleven business men happen to be members of the Executive Committee of the Chamber certainly does not equip them to compete with Chamberlain, Kellogg, Coolidge, Hughes, Briand, and other world statesmen who have been giving serious consideration to China's problems for many years. The Chamber, owing to its action at the last annual meeting in attempting to suppress all opinion in the American community which did not coincide with its own views, has discredited itself in the eyes of thinking persons at home, which fact has been definitely proved by the mass of editorial comment condemning the Chamber's action which has appeared in newspapers in all parts of the United States.

But as stated previously, *The Review* has no desire to continue this squabble indefinitely and considers it particularly unfortunate that the American community should be split up in factional fighting at a time when there is need for clear thinking and unified action. After all, the proof of the pudding is in the eating. The last report of the U. S. Department of Commerce showed that for the first four months of this year the United States' trade with China was 3 percent greater than for the same period of last year and that for the first time in the history of the commercial relations of China and America, the United States led over both Great Britain and Japan, British trade for the same period having decreased 17 percent and Japanese trade having decreased 25 percent. After all, the chief obstruction which American merchants have met in developing their trade in China has not come from the Chinese but from monopolies maintained by other foreign nations, particularly the British and Japanese in China. The tendency of the Chinese revolution has been to break down these foreign monopolies and as they have broken down American commerce has benefitted in equal proportions. All that America wants in China is an equality of opportunity, otherwise the Open Door, which is exactly the same thing that China wants. Intervention in China by the United States would acomplish nothing more than the re-establishment of the European monopoly and we can't see for the life of us how that would benefit American merchants. What the average American merchant in China wants and what he is bound to get ultimately, is an opportunity to sell his wares in an open market without having some Englishman or Japanese tell him that he can't do business in this or that place, or in this or that line, because some British or Japanese firm has been granted prior monoplistic rights.

From the larger standpoint of American national interests in the Far East, there is no American right or interest in this quarter of the globe which would not be best served by a strong independent China. Practically all of the dangers which lurk in this part of the world from the standpoint of future world conflict center in a weak disorganized China. And there is nobody on the face of the globe who can organize China except the Chinese themselves. Intervention, instead of strengthening China would lead to further disorganization in China and ultimately to conflict among the Powers themselves. Therefore in opposing intervention and giving the Chinese people the fullest possible opportunity to work out their own salvation, the American Government is following the only logical policy in the Far East for the good of America and China and ultimately for the good of the whole world.

Note:—In the use of the word *intervention*, we do not wish to convey the impression that *The Review* is opposed to the legitimate use of the American Naval and Marine forces for the protection of American lives and properties. *The Review* has always approved of the proper use of American armed forces for the protection of American lives and properties, but has, and will continue, most strenuously, to oppose the use of American forces for protecting and re-establishing European monopolies on Chinese soil or for supporting any one Chinese faction against another. The British proposal for blockading the Yangtsze Valley was nothing more than a clever scheme to induce the United States to lend the American forces for the purpose of re-establishing the British sphere of influence in Central China. That Washington turned it down amply demonstrated that Washington is better advised on condition in China than the Committee of the local American Chamber of Commerce. If the Chinese Nationalists can succeed in getting control of their own Yangtsze Valley, which is comparable to the Mississippi Valley of the United States, American merchants in Shanghai will be the first to benefit. Then the American merchants on the Committee of the American Chamber will be wanting to lynch the men who suggested intervention in 1927.

Volume of General Exports to U. S. A. Continues Satisfactory

A heavy decline in the export of raw silk and wild silk is the principal feature of the table showing the declared exports to the United States for the first six months of 1927 (Jan. 1 to June 30) issued by the American Consulate General at Shanghai. The total value of Chinese products exported from Shanghai to the United States during the six months of this year was $23,468,766, as against $29,900,271 last year—a decline of more than six million dollars. All the figures quoted in this article are U. S. currency.

This drop is more than accounted for by the slump in silk business, the total value of silk products exported this year being only $11,088,771 as against $18,851,902, last year-a decline of more than seven and a half million dollars.

The average export of all other products showed an increase over last year. China wood oil showed a striking gain—namely $537,210 this year as against $46,764 last year. This oil all comes from the upper Yangtsze valley.

Weasel skin export has continued very satisfactory. The trade in these skins is really phenomenal, and because of the heavy demand from the United States the price has gone up considerably, so that although there has been a slight decrease in the number of skins exported this year, the value of the export has increased by more than a quarter million dollars. The exact figures are: 1926—1,249,076 skins, $2,026,656; 1927—1,027,732 skins, $2,270,951.

There was a decline in goat skins, but this was more than made up by a phenomenal demand for calf skins, more than a million and a half dollars worth of the last named commodity having been exported during the six months under review.

The export of anitmony regulus, another Yangtsze valley product, shows up very prominently. Despite a considerable drop in the price, the value of the export has risen from $203,320 to $328,509. The actual quantity exported was more than double that for the corresponding period last year. There was also a considerable increase in the value of sheeps' wool exported.

Declared exports from Tientsin in May, according te *Commerce Reports*, totaled $3,960,000, compared with $2,693,000 in the corresponding month of last year. Principal export items included skins and furs, valued at approximately $2,000,000, and carpet and sheep's wool worth $870,000.

Cartoons on America's Place on the Sea and in the Air

A FAIR PROPOSAL WITH AN ALTERNATIVE
THREE POWER NAVAL LIMITATION CONFERENCE
PROPOSAL FOR A 5-5-3 RATIO ON ALL CLASSES OF NAVAL CRAFT
-OR-
OR
A NAVAL BUILDING COMPETITION IN WHICH THE U.S., WITH UNTOLD RESOURCES COULD, IF IT LIKED, EASILY AND JUSTIFIABLY, OUT-BUILD GREAT BRITAIN ANT JAPAN IN CRUISERS, DESTROYERS AND SUBMARINES
U.S.
BRITAIN
JAPAN

—By McCutcheon in the Chicago Tribune

BUSY DAYS IN OUR TROPHY ROOM
IF AT FIRST YOU DON'T SUCCEED, FLY, FLY AGAIN
U.S. FLYING TROPHIES
NEW YORK to PARIS SOLO FLIGHT LINDBERGH
FIRST FLIGHT TO THE NORTH POLE
AROUND THE WORLD FLIGHT
WILBUR and ORVILLE WRIGHT

—By McCutcheon in the Chicago Tribune

—By McCutcheon in the Chicago Tribune

THE NAVAL CONFERENCE
"THE SOLE OBJECT OF THIS CONFERENCE IS TO REACH A FAIR AND FRIENDLY AGREEMENT TO REDUCE OUR NAVAL BURDENS. ANY ATTEMPT TO GAIN SPECIAL ADVANTAGES AT THE EXPENSE OF THE OTHERS WILL WRECK THE CONFERENCE"
U.S. NAVAL TAX BURDEN
JAPANESE NAVAL TAX BURDEN
BRITISH NAVAL TAX BURDEN

—By McCutcheon in the Chicago Tribune

Silence of Shanghai Press on Shipping Strike

A correspondent draws attention to the general silence of the local press on the subject of the strike of 450 British merchant service officers, as a result of which the Butterfield & Swire ships are practically all idle. This correspondent points out that last Sunday the *China Press* published colums on such subjects as theatrical displays in Magdeburg, but not a word about the strike. He says the *China Press* published a garbled report of an interview with unofficial Guild members. He praises the *Shanghai Times* for having been neutral and above-aboard. As regards the *N. C. D. News* this correspondent says: "It laid down the rule that no anonymous correspondence would be allowed on the subject of the strike. Anybody is free to write to the paper and back up the great Taipans, but a striker who wishes to present his side of the case must sign his own name... Could any sight be more pathetic than that of the foreign Press of Shanghai crawling before a British taipan."

"The Truth Must Win"

The following article in explanation of the policy of the American Chamber of Commerce of Shanghai, appeared in the last issue of the Chamber's Bulletin.

BECAUSE of misrepresentation of the Chamber's attitude and policy regarding the China situation, the American Chamber of Commerce in Shanghai has been compelled to reiterate its attitude towards the situation in an article entitled "The Truth Must Win" and which appears in the latest number of the Chamber "Bulletin" which has just been issued. The article follows in full:

Some members of the Chamber may possibly feel concerned over editorials and articles which have appeared in newspapers both in America and locally in which this Chamber's attitude and policy with regard to China are grossly misrepresented. Among other things the Chamber is represented as being opposed to "a square deal for the Chinese" and as being opposed to American Government policy in China. The Chamber is also accused of being engaged in a long and expensive campaign for American intervention in China.

It is believed that most members of the Chamber understand thoroughly the circumstances under which this adverse criticism and misrepresentation has come about. Contrary to being opposed to its Government's policy the Chamber took occasion (as reported in the President's annual report) to express its approval of the administration's policy in sending marines and adequate naval protection to China for the defense of American life and property and also took occasion to express its disapproval of certain local subversive propaganda which was aiming criticism at defence measures adopted at Shanghai and was apparently encouraging Chinese factions to make unreasonable and untimely demands for surrender by foreigners (including Americans) of their present status in China and was endeavoring to influence American public and official opinion favorably toward a premature voluntary surrender of those rights and privileges.

Here Lawfully

As President Coolidge had given public expression to the fact that Americans are in China lawfully and as the Washington Government was rushing additional men-of-war and Marines to Shanghai, as a result of the attempted massacre of Americans and other foreigners in Nanking, for the purpose of protecting Americans concentrated at Shanghai and American property here, the Chamber felt justified at its Annual Meeting in taking action which would clearly dissociate it from such subversive propaganda.

It is believed that most of the members of the Chamber thoroughly understand and appreciate what the Chamber has been doing, as a full statement of all action taken by the Board of Directors up to the time of the annual meeting on April 26, was distributed to the members present on that occasion in the form of the annual report of the President of the Chamber. A few additional copies are available in case any member has not seen it, and may be obtained from the Secretary.

The Board of Directors feels that it is scarcely necessary to refute or deny the reports and allegations above mentioned as they are so obviously without foundation but any member who may possibly be in doubt as to the policy pursued by the executive officers of the Chamber, by reading the annual report and consulting with the Secretary of the Chamber as to action taken since the date of same will be convinced that the Chamber has neither been engaged in "a long and expensive campaign for intervention," nor has it been opposed to its government's policy, nor is it against "a square deal for the Chinese."

Public Statement

As to selfishness, perhaps the Chamber may be rightly accused on this charge. If our recommendations as to a solution of the difficulties from which the Chinese people are suffering, to the end that their welfare may be assured and conditions be established favorable to the formation of a responsible government under which the Chinese people might prosper and thus become better customers for American products, can be classed as selfishness, then we shall have to admit ourselves guilty on this score.

The only public statement which the Chamber has issued on the China situation during the past year was one in which, along with a description of the chaotic conditions obtaining in China, the view was expressed that:

"We are convinced that the future welfare of the Chinese people and the ultimate safety of American and other foreign residents throughout China, can be attained only through unified action by the Powers to suppress disorder and to restore conditions favorable to the formation of a responsible government.

"We believe that immediate concerted action by the Powers to restore a condition of security for foreign lives and property in all Treaty Ports, and to recover all foreign properties which have been destroyed or confiscated, will have a far-reaching influence throughout China to the ultimate benefit of the Chinese people. The result should not be difficult to attain with the naval forces now in Chinese waters.

"In our opinion the future peace of the world and the general welfare of the Chinese people will be best served by the maintenance of the alignment of the Powers established under the Washington Treaties, and their co-operation in the service pledged to China during the Washington Conference."

This was released on April 2 to local representatives of American newspapers, as a public statement by the Chamber for cabling to the United States. It was issued just after the Nanking outrages of March 24 on Americans and other foreigners, and at a time when Shanghai was in the throes of a very trying and dangerous situation which was rapidly growing worse, and which threatened the safety of foreign lives and property in Shanghai.

Favors Square Deal

It is believed that the wording of this sole public statement which the Chamber has made expressing itself in favor of armed intervention makes it quite clear that the Chamber is strongly in favor of a square deal for the Chinese people. That the Chinese people have so far failed to secure a square deal at the hands of their own political factions is apparent to those familiar with the situation obtaining in this country.

It must be left to the judgment of the individual members of the Chamber as to whether the views thus expressed were in opposition to the American Government's policy then obtaining. Helpful to forming an opinion as to whether the Chamber was in harmony with American official policy at that time is the fact that on Monday, April 11, nine days after the Chamber's public statement was issued, the Five Power note was presented to the Nationalist Government, in which the United States, Great Britain, Japan, France and Italy demanded punishment of the commanders of the troops responsible for the Nanking murders of foreigners, reparations for personal and material damage, and an apology in writing by General Chiang Kai-shek. The demands were accompanied by the following threat, which formed part of the text of the note:

"Unless the Nationalist authorities demonstrate to the satisfaction of the interested Governments their intention to comply promptly with these terms, the said Governments will find themselves compelled to take such measures as they consider appropriate."

It is of interest to recall the salutary effect on the Chinese Nationalists of the threatened intervention, the purport of the note having been pretty generally understood publicly before its actual presentation, in that General Chiang Kai-shek, on April 12, the day following the presentation of this note, openly broke with the radicals and with the Hankow Government, and began cleaning the labor agitators and radicals out of Shanghai and Canton, thus relieving the tense and threatening situation and staving off foreign intervention.

It is believed that members of the Chamber need not be unduly concerned over the press reports above referred to, which misrepresent the Chamber and its policies.

These adverse articles and editorials in the United States were a result of the editors being misled.

The executive officers of the Chamber feel that the truth in regard to this entire China situation must eventually win out as neither American public nor official opinion can long continue to be misled by the propaganda and distortion of fact which has been carried on in the United States to subversive ends.

Business Opportunities

The following trade enquiries have been received by the American Consulate General, Shanghai, from whom further information can be secured:

Rapeseed and Sesamum—A New York importer desires to get in touch with local exporters of sesamum seed and rapeseed.

Air Compressors—A firm in Milwaukee manufacturing air compressors desires a Shanghai agent.

Cotton Waste—A New York dealer in textile waste desires to get in touch with local exporters of cotton waste.

Press Photographer—A monthly California magazine desires a local representative to supply it with one or two photographs per month of prominent people or current events.

Paraffine Wax—A New York firm desires to sell its product here.

Fiberloid—A Massachusetts manufacturer of fiberloid for use in the manufacture of side curtains for open model motor cars, desires to sell his products here.

Japan's Suicidal Policy

C. Y. W. MENG.

THE rise of Japan constitutes one of the marvels in the history of the modern world. By the victory of 1895 the occupants of the small islands which appeared very nicely located as a coaling station for some great sea power, showed to the world that Japan was seeking equality. The acquisition of Formosa and the Pescadore Islands was only the first of Japan's many gains and acquisitions. By her victory of 1905, the island empire changed from despicable insignificance to world ascendency. By her declaration against Germany, Japan eliminated her last bitter enemy in the Far East.

Japan, encouraged by her surccess, found that a policy of ruthless aggression, in close imitation of European imperalism, could now be adopted in China. Further, taking advantage of the fact that Chinese militarists were fighting among themselves, and that the Powers were too busy with the war in Europe, Japan presented to China the notorious "Twenty-one Demands" by which she thought to devour her weak neighbor at once.

But to her great surprise and disappointment, the events following May 9, 1915, showed to Japan that the Chinese of 1915 were quite different from the Chinese of previous times. China was weak from a military point of view, but when her indignation reached a culminating point, she could find another more effective weapon—which had the first effect of cutting the throat of Japan—that is, the "economic boycott". From 1915 to 1922, as a result of the "economic boycott" Japan suffered a disastrous loss, which greatly damaged her economic life and threatened the national prosperity of Japan.

Japan Depends on China.

Geographically and economically speaking, Japan has many distinct advantages over other nations in extending her economic influence in China. China has an abundance of raw materials and natural resources, and, besides, plenty of cheap labor is available. Wages in Japan are much higher than in China, and Japanese workmen are not so easily controlled as are the Chinese. The natural resources in Japan, particularly those of iron and raw cotton, are poor. Japan is now almost entirely dependent upon China for her supply of iron ore. Japan looks toward China to supply the ore for constructing battle ships, modern machinery and war weapons. The Japanese when they come to China are anxious to learn everything Chinese and are eager to have contact with Chinese just because of their desire to expand their commercial and industrial enterprises in China, and to get the materials from China that are so much needed by Japan.

The shipping business of China is almost entirely under the control of the British and the Japanese, the latter having made great strides since the May 30 affair. As to the cotton industry, it is practically under Japanese control. The Japanese operate 32 mills in Shanghai and 13 in Hankow, Tsingtao, and Manchuria. Besides, many Chinese-owned mills are under Japanese trusteeship. Lastly, China is a great user of Japanese goods.

A Change of Policy

Having experienced tremendous losses as a result of the Chinese economic boycott against her aggressive policy, Japan at last came to the conclusion that it was not longer advisable for her to follow an aggressive policy and decided that a change of policy would be wiser. This explained why the Japanese delegates at the Washington Conference were so generous as to consent to hand over to China Shantung, which they fought for "through great sacrifice of money and blood." The Japanese policy towards China since the Washington Conference has been a policy of friendship, the general purpose being to create closer relations between China and Japan. Japan has been demonstrating her friendship for China in various ways, in addition to the numerous unofficial movements such as the formation of Sino-Japanese clubs, the entertainment of the Chinese leaders in Japan, with all traveling and hotel expenses paid, and the the constant string of unofficial Japanese delegations which have been touring China and making a study of the land.

When the British-Chinese conflict occurred, it afforded a golden opportunity to Japan to reap a great harvest out of the troubled waters. By her joining with the Mukden bandit-warlord Chang Tso-ling, she desired to protect and uphold her prestige and interests in Manchuria against Russia. By the propagation of her "Pan-Asiastic Doctrine", and further taking advantage of the anti-British feeling, Japan aimed at the elimination of British shipping on the Yangtsze. Indeed, by the timely change of her policy from aggression to friendship, and by the assertion of "friendship drive", Japan was crowned with success.

But All in Vain!

But all the money spent in entertaining the Chinese leaders, all the concessions that Japan previously granted to China, and all other efforts were nullified when 2,000 or 3,000 soldiers were landed at Tsingtao. Despite the repeated assurances given by the Japanese Foreign Office that such measure is solely for the defense of Japanese lives and property and that the troops would be automatically withdrawn as soon as the situation returned to normalcy, we, the Chinese, have no confidence in these promises. We know full well that the despatch of troops to Tsingtao has two purposes. In the first place, Japan desire to save the Mukden bandit-warlord, with whom the Nationalists are at war, by setting up some obstacles in order to check the victorious march of the revolutionary Nationalists, expecting that the story of the fall of Kou Soong Ling would repeat itself. Secondly, as the British interests along the Yangtsze Valley have already been convulsed, and the Japanese interests in northern China are going to be affected as the northern punitive expedition proceeds on its way to Peking the dream of the British and Japanese joining hands in China again prevails in the minds of the Japanese diplomats. As Britain has maintained and is still maintaining a large force in Shanghai, Japan, in order to cooperate with Britain, is probably under obligation to do the same. But her action only recalls the old economic boycott from the Chinese. It is to be noted that with the Nationalist Government in control of most of China, a boycott can be enforced far more thoroughly at present than it could at any time previously. Meetings after meeting is being held to discuss the "Anti-Japanese movement," and practically all shops in Shanghai have joined the "Anti-Japanese League." It was decided that goods previously imported from Japan must be registered and must be put up at auction sale. All merchants pledged themselves that hereafter they would never import any goods from Japan. Any one dealing with the Japanese is to be reported to the League and any "traitor" who violates this rule is to be severely punished. When the national feeling is burning such a movement undoubtedly assumes a grave aspect. It will take only a couple of months to paralyze all the Japanese business in China and it needs another two months to close up all the factories and mills owned by Japanese both in China and Japan.

A Lesson to Japan.

Japan should study the examples before her. She must be fully aware of what happened to the British colony, Hongkong, when the first strike was called by the Chinese five years ago, which ended in a great lost of "face" for Britain when she yielded to all the demands of the strikers. She must be equally aware of what happened to British interests and prestige after the May 30 affair. After the unfortunate tragedy of 1925 Britain became extremely unpopular in China and she is now the target of a determined Chinese attack,

It is undeniably a fact that Japan and Britain are great rivals in China. We know full well that Japan has been constantly thinking to drive Britain out of China. Japan stands to gain in commerce and prestige proportionately as British commerce and prestige in China go down. To consider the Yangtsze Valley alone, the elimination of British shipping on the Yangtsze River would be of tremendous benefit to the Japanese because their ships would get most of the business which now goes to the British. Another instance is the cotton goods trade. Britain has dominated this industry for many decades. Now the Japanese are competing with the British along this line. It is up to Japan to take advantage of the situation to create closer relations between China and Japan by which the Chinese may grant more privileges to the Japanese to trade. China's troubles with Britain should be considered as of great value to Japan!

Instead of taking this step to cultivate friendship with the Chinese, which is necessary to her trade with China, which, in turn is a necessity to her economic life and national prosperity, she decided to despatch troops to Tsingtao. No matter on what ground she may rest her action, time will reveal to her that this is a suicidal policy. Britain is not the only target of the Chinese attack, but Japan is now also added.

Silver Shipped To Tientsin on British Warships

British warships were used to transport silver from Shanghai, mostly the property of British banks, but partly also the property of American and Japanese banks, to Tientsin, last week. This export of silver from Shanghai was in defiance of an embargo against export by the local Nationalist (Nanking) government. The matter of the transport of this silver on British warship was raised in the House of Commons in London and there the explanation was given that the free export of silver is provided for by treaties. The local Chinese authorities allege that the silver is mostly destined for the use of the Manchurian generalissimo Chang Tso-lin, and it was with the object of preventing the silver reaching him that the embargo was imposed by them.

Tsingtao

BY G. W. M.

TSINGTAO furnishes a striking answer to the frequently propounded question, "Does Imperialism Pay?" The answer is: Certainly; not, however, the "oppressor", but the "oppressed." China has fallen heir to one of the most beautifully located cities in the world, and by far the best laid out and most substantially built residential area in China—paid for by German taxpayers. Tsingtao was given birth to by the Germans, was nursed by the Japanese, and now the Chinese have the benefit of the matured product.

Tsingtao as a Chinese entity was one of the principal fruits of the Washington Conference, as a result of which Japan's political aspirations in Shantung were squelched. Japan's economic grip on Tsingtao and on the German built railway running to Tsinan remains, however.

Tsingtao's history is very interesting. During the Chino-Japanese war the Japanese captured Port Arthur from the Chinese. Russia, Germany and France, in a joint "intimation" to Japan suggested that she should retire. The Japanese complied, but remembered. Revenge against Russia came a decade later, when the Japanese ousted the Russians from the spot which they had in the meantime usurped. The revenge against the Germans came another decade later. When the Japanese "intimated" to the Germans in 1914 that they had better evacuate Tsingtao they used the identical wording which had been used towards them two decades earlier, with the necessary changes in the names of places, countries and dates.

Japanese Work From the Rear

The Germans had fortified Tsingtao against attack from the sea. The German treaty hypocritically stated that this defense was for the protection of the Chinese. The Japanese in capturing Tsingtao used generally the same tactics that they had used against the Russians at Port Arthur ten years earlier. To capture the place from the sea was almost out of question—therefore the thing to do was to attack the place by land from the rear, where the defense was very meagre. The Japanese, despite protests from China, built a light railway across Shantung province and methodically, almost leisurely, and greatly hampered by bad weather, transported heavy guns to the rear of the Tsingtao fortresses.

It took the Japanese apparently many months to capture Tsingtao from the Germans, but these months were spent in preparation. When the attacking forces were once in position the Germans gave up in a few days, as the result was inevitable from the start.

The Japanese treatment of the Germans and their properties was characteristic. They showed little ill-feeling and even a certain amount of chivalry. But everything they did had just the trace of a "sting" in it. Nearly every able-bodied male German merchant or mercantile clerk was shipped off to Japan as a war prisoner—not as a civilian—because the captured German records showed that for one night at least they had donned a German army uniform for police purposes and were therefore technically "soldiers." The head of one German firm which acted as agents for a prominent Japanese shipping company was among those who was given fourth-class accommodation as a war prisoner on the ship on which in former days he was assigned a cabin *de luxe*.

How The Civilians Traveled

German civilians generally were not molested. But there was one iron-clad rule. No German could leave except after having been granted permission following application, and then only by the prescribed route: In an open freight car, sitting on his or her baggage. Not even a German millionaire could buy for any price a ticket out of Tsingtao either by rail or by steamer.

Towards merchandise and personal property belonging to the Germans, the Japanese during the earlier part of the war years acted in a very liberal manner. When the Germans laid out the city they did everything in an up-to-date manner. The wharves, on which railway tracks run right up to the steamer quay, were placed inside the customs limits and government warehouses were built on the wharf premises, the rent charged for same being very reasonable. The result was that most firms stored their export cargo in government warehouses, and when the Japanese captured Tsingtao they naturally took over these government-owned warehouses. In theory they treated the Germans harshly, but not so in actual practice.

A a result of the war conditions in Europe the documents and papers showing title to the cargo in the warehouses were difficult to secure. In the meantime the Japanese kept all cargo, allied, neutral and enemy under lock and key. On presentation of proper documents allied and neutral owners were able to secure their wares promptly on payment of the usual storage fees. But not so the Germans. The Germans were informed that they would have to pay double storage charges. Month after month the representatives of the German firms in Tsingtao continued to apply to the Japanese authorities for permission to take delivery, but the answer always was "Not yet." and so it remained until autumn. In the meantime the Germans were figuring up the double storage charges and the point had just about been reached when it became a question of whether the cargo would be worth the accumulated fees. But imagine the Germans' agreeable surprise to learn when the permission to remove was at last granted that the Japanese with a grin stated that "charges would only be levied from the date of permission to remove," which in the end worked out that the Germans paid less storage charges than did the English or any other nationality.

How the Japanese Got Their Properties

As the war progressed, the Japanese, adopting the same procedure that was eventually followed by the other countries at war with Germany, began to confiscate private property. Just as the Russians who had invested in handsome and modern premises in Dalny and Port Arthur lost practically everything as the result of the Russo-Japanese war, so the Germans who had invested their money in Tsingtao lost practically everything as the result of the capture of that city by the Japanese. To-day nearly all the desirable properties are in the hands of Japanese owners, the Government, after confiscating the property of the Germans, selling the various parcels to Japanese firms and individuals on very liberal terms.

To-day the red-embroidered uniform of Japanese troops is once more conspicuous on the landscape of Tsingtao. So much private property is under Japanese ownership that it was an easy matter to secure quarters for them under the flag of the Rising Sun. The old German barracks, once occupied by the Japanese, are now, of course, in the possession of Chinese troops.

The Chinese administration of Tsingtao is purely military, and Chinese residents of the city are clamoring for a Municipality. The Germans laid out Tsingtao on a very expansive and expensive scale, and the Chinese have quite a job on their hands to maintain the streets and various public institutions on the German plan. While there has been a certain amount of deterioration it is surprising how well the Chinese are maintaining the city. Of course the natural deterioration is comparatively little, as the foundations are rock, not mud as in Shanghai, and the Germans built everything very solidly. Generally speaking, the wholesale exporting and importing business that was in German hands in pre-war days is now in the hands of the Japanese.

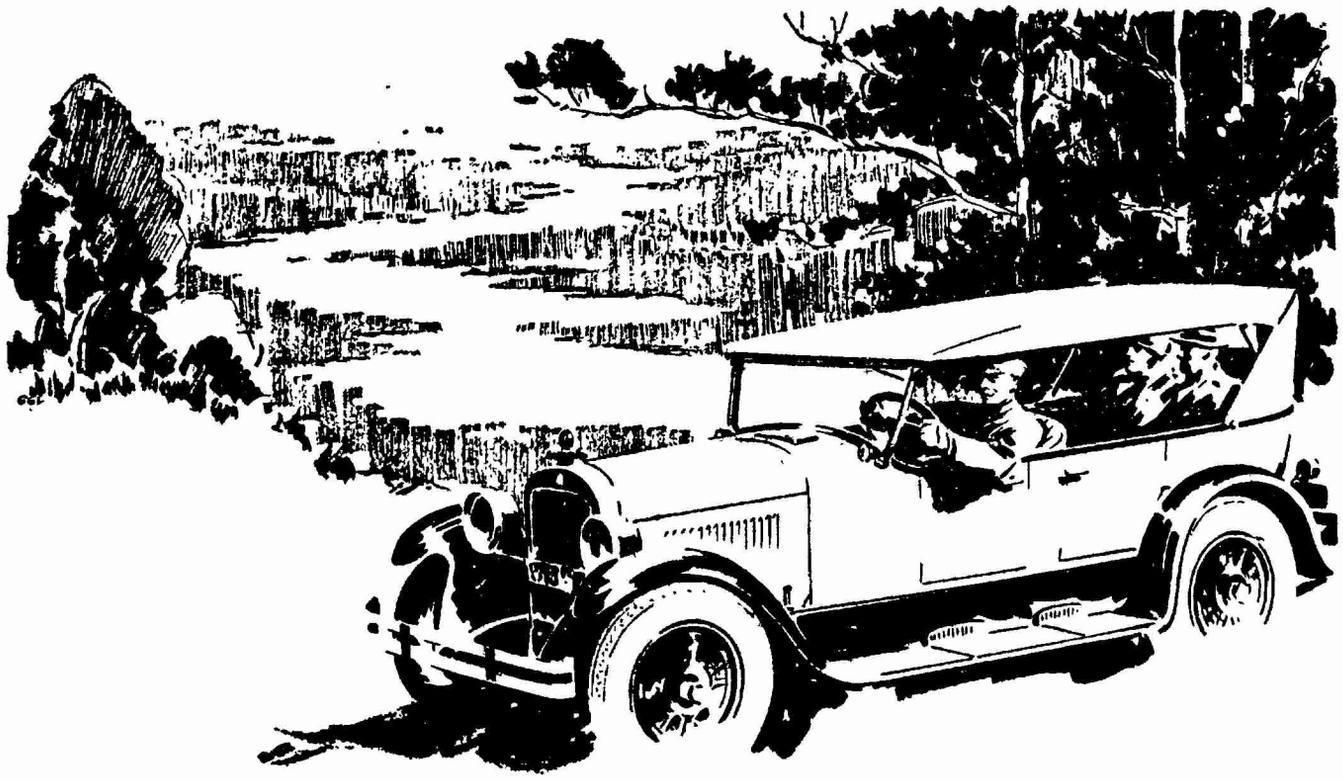
The largest business by far of Tsingtao is the export of peanuts. Business during the last season was on the whole unprofitable, not because of lack of demand from the outside world, but owing to the delays in transport as an incident of the civil war. The delays in transport would in themselves not have been so disastrous had it not been that prolonged periods of dampness and rain coincided with the transport delays so that huge quantities of peanuts were entirely spoiled and as a result some of the largest dealers in this product were forced into bankruptcy.

The German-built railway between Tsingtao and Tsinanfu is under Chinese control, as a result of the Washington Conference, but it is nevertheless an object of great concern to the Japanese, as the Chinese owe about forty million yen to the Japanese for improvements made by them during the time that the road was under their control. The announced intention of the Japanese in sending troops and a corps of railway men to Shantung is to prevent their properties from being destroyed through civil war. The Chinese, however, are very suspicious that the real object of the Japanese is to re-establish themselves in Shantung politically.

Not Much of a Summer Resort

Tsingtao, with its fine beaches and wonderfully clear blue water, has become a favorite holiday resort for people from Shanghai, and even from northern China. The number of visitors this year has so far been below the average, as there was a time when it appeared that Tsingtao would be the scene of considerable disorder. The city is, however, perfectly quiet. Indeed, Shanghai looks like a riot all the time, compared with the leisureliness of everyday life in Tsingtao. There is no prospect of any outbreak at Tsingtao for the balance of the season, for, whatever one may think of the advisability or ethics of Japan's invasion of Shantung, there can be no doubt about it that the presence there of even the few thousand Japanese troops is a guarantee against mob violence.

It is a mistake, however, to view Tsingtao as a fine summer resort. The temperature during the latter half of July and the beginining of August is little below that in Shanghai, and the atmosphere generally is very humid. Indeed heavy fogs are very frequent, much more so than in Shanghai. It is in Spring and in Autumn that the glories of Tsingtao are at their best. The forests that the Germans planted and the roads through the mountains that they built may then be enjoyed to their best advantage.



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Madame Sun Withdraws from Politics

The following statement was made by Madame Sun Yat-sen (Sun Soong Ching-ling) at Hankow, July 14, three days before her complete withdrawal from active political work in the Kuomintang.

I feel that it is necessary at this time to explain as a member of the Central Executive Committee of the Kuomintang that we have reached the point where definition is necessary and where some members of the party Executive are so defining the principles and policies of Dr. Sun Yat Sen that they seem to me to do violence to Dr. Sun's ideas and ideals. Feeling thus I must disassociate myself from active participation in the carrying out of these new policies of the party.

Today we face a crisis and we must probe searchingly into fundamental questions for fundamental answers. We must answer the question of the nature of the revolution in general, of the Chinese revolution in particular, whether it is to be a mere political or a social revolution, and what changes are involved.

In the last analysis, all revolution must be social revolution, based upon fundamental changes in society; otherwise it is not a revolution, but merely a change of government.

To guide us in the Chinese revolution, Dr. Sun has given us his Three Principles and his Three Policies. It is the Third Principle, that of the livelihood of the people, that is at stake at the present time, the Principle that answers the questions of fundamental social changes in China.

The Third Principle

The Third Principle was held by Dr. Sun to be basic in our revolution. In this Principle we find his analysis of social values and the place of the labor and peasant classes defined. These classes become the basis of our strength in our struggle to overthrow Imperialism, and cancel the unequal treaties that enslave us, and effectively unify the country. They are the new pillars for the building of a new, free China. Without their support, the Kuomintang, as a revolutionary party, becomes weak, chaotic and illogical in its social platform; without their support, political issues are vague. If we adopt any policy that weakens these supports, we shake the very foundations of our party, betray the masses, and are falsely loyal to our leader.

Today there is much talk of policy. Dr. Sun defined Three Policies, which he decided were the only means by which his Three Principles could be carried out. But today it is being said that policies must be changed to fit the needs of the time. There is some truth in this statement, but change of policy must never be carried to the point where it becomes a reversal, so that a revolutionary party ceases to be revolutionary and becomes merely an organ, operating under the banner of revolution, but actually working in support of the social structure which the party was founded to alter.

Differences in the Party

At the moment we face critical issues. Theoretical and practical differences have arisen between various elements of the party. Drastic solutions are suggested. It is because I feel that the carrying out of some of these suggested solutions would destroy the strength of the party and delay the success of the revolution, that I must speak. These solutions seem to me a part of a policy which would alienate and suppress the classes upon which our strength largely depends and for which the revolution must be fought. Such a policy, I feel, is doomed to failure.

This new policy is proposed as a corrective to mistakes that have been made. But the corrective seems to me more serious than the mistakes.

It is time for honesty and courage. There have been mistakes, but the fact that some of us are unwilling to face is that we are at least as responsible for many of these mistakes as those whom we would now hold completely at fault. If we look back honestly at the past months in Wuhan, examine our words and decisions unflinchingly, we cannot evade this responsibility. Speeches, statements are recorded in the history of the part. But now we would shirk the responsibility, shift it to other shoulders.

Yes. There have been mistakes, but we must face the fact that they are not only others' mistakes; they are our own as well. We have helped to make them; we must correct them. Moreover, for revolutionary mistakes, revolutionary solutions must be found. We must not betray the people. We have built up in them a great hope. They have placed in us a great faith. To that faith, we owe our final allegiance.

Dr. Sun came from the people. He has told me a great deal about his early days. He came from the peasantry. His father was a farmer and the people in his district were farmers.

Dr. Sun was poor. Not until he was fifteen years old did he have shoes for his feet, and he lived in a hilly region where it is not easy to be a barefoot boy. His family, until he and his brothers were grown, lived almost from hand to mouth, in a hut. As a child he ate the cheapest food—not rice, for rice was too dear. His main nourishment was sweet potatoes.

A Revolutionary from Youth

Many times Dr. Sun has told me that it was in those early days, as a poor son of a poor peasant family, that he became a revolutionary. He was determined that the lot of the Chinese peasant should not continue to be so wretched, that little boys in China should have shoes to wear and rice to eat. For this ideal, he gave forty years of his life.

Yet today the lot of the Chinese peasent is even more wretched than in those days when Dr. Sun was driven by his great sense of human wrongs into a life of revolution. And today men, who profess to follow his banner, talk of classes think in terms of "revolution" that would vritually disregard the sufferings of those millions of poverty-stricken peasants of China.

Today also we hear condemnation of the peasant and labor movement as a recent, alien product. This is false. Twenty, thirty years ago, Dr. Sun was thinking and speaking in terms of a revolution that would change the status of the Chinese peasant. In his early twenties, he wrote to Li Hung-chang, petitioning for social and economic reforms. In 1911, he wrote an article on the agrarian question in China, printed in Geneva in "The Socialist", in which he said that the basis of social and economic transformations in China is an agrarian revolution. All his life, this was one of the big goals he had in mind. Everything he planned he saw as means to the betterment of the life of the Chinese masses. In 1915, when we were in Japan, he urged Liao Chung-kai to study more deeply into the peasant and labor problems.

It is only in the past few years, after four decades of struggle, that these plans for a revolution of the people have begun to bear fruit. I remember clearly the first All-Kwangtung Peasants Conference, in Canton, in July, 1924. Then for the first time, we saw the people of China, who must be her new strength, coming to participate in the revolution. From all the districts of Kwangtung, the peasants came, many of them walking miles and miles, barefooted, to Canton. They were ragged, tattered. Some carried baskets and poles. I remember I was deeply moved.

Dr. Sun was moved also. When we reached home, he said to me: "This is the beginning of the success of the revolution, "and he told me again the part the oppressed people of China must play in their own salvation.

All these years, his purpose was clear. But today we talk of recent foreign influence. Was Sun Yat-sen—the leader who was voicing the agrarian revolution for China when Russia was still under the heel of the Czar—was he the tool of foreign scheming?

Not True Followers of Dr. Sun

Dr. Sun's policies are clear. If certain leaders of the party do not carry them out consistently, then they are no longer Dr. Sun's true followers, and the party is no longer a revolutionary party, but merely a tool in the hands of this or that militarist. It will have ceased to be a living force working for the future welfare of the Chinese people, and will have become a machine, the agent of oppression, a parasite battening on the present enslaving system.

We face a serious crisis. But it is more of a crisis for us as individuals than for China as a country. Whether the present Kuomintang at this moment rises to the height of its ideals and courageously finds a revolutionary corrective for its mistakes, or whether it slumps into the shamefulness of reaction and compromise, the Three Principles of Dr. Sun Yat-sen will conquer in the end. Revolution in China is inevitable.

At the moment I feel that we are turning aside from the Tsungli's policy of leading and strengthening the people. Therefore I must withdraw until wiser policies prevail.

There is no despair in my heart for the revolution. My disheartenment is only for the path into which some of those who had been leading the revolution have strayed.

Signed: Sun Soong Ching-ling

July 14, 1927.

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Diagnosis and Treatment

Editor, *The China Weekly Review*:—

Sir:—A few years since the writer was an ardent advocate of a Sino-American entente, urging it in person with departments, committees, and individual leaders of the American Government. Had that policy been pursued, China would have been a stronger bulwark against the Soviet than Japan.

But now we must reckon with changed conditions. The five barred flag, symbol of Sino-American friendship has been supplanted by the flag with the red field. Can the red be dropped? That is the question. Granting the sincerity of purpose in attempting to "li yung" 利用 the Soviet, by so doing the China problem has merged into the wider issue, the Red Conspiracy against Christ and the world. We see looming on the horizon a white man's war for his faith and for his wife—for the Reds wish to abolish the marriage relationship. China is now a pawn in this big game.

In the vast amount of printed matter on this subject it is amazing with what agility writers succeed in missing the point.

No one has the temerity to deny that the Nationalists are financed by the Reds. One prominent Chinese estimated the amount received up to the time of his writing at $230,000,000.00. And we are not surprised to hear a report that twenty of the Canton generals have invested their proceeds in Imperialistic New York. We have no way of tallying the report that Hankow was sold for two million taels, nor did we hear the figure paid for Kiukiang. If it is true, as reported, that Pi Shu Shen sold both Shanghai and Tsingtao in one deal for a million dollars, he was "easy", even if it had not cost him his life.

We should like to believe that the Nationalists could win "victories" against Chang Tso-lin without Red money, but frankly it stretches our credulity.

What then? Why does no one ask whence comes this Red money? The answer is at hand. The Sisson Report, which was circulated in Shanghai by the U. S. Committee of Public Information, proves that the Bolshevist movement is financed by a group of banks centering in Germany. This is not to say that the German Government is responsible. We are told that they handled the Bolshevists with gloves off, and that the Bolshevist representation in the German government has diminished from a hundred just after the war to less than twenty now. But Sisson shows by photostat reproduction of documents that the overthrow of Russia was financed by this group of banks in Germany and other European countries. His Document No. 9 further shows that it was these banks who furnished the funds and sent men to start the agitation in China.

Another writer makes the statement, which does not seem to be challenged, that by the Dawes Plan America herself put all her credit behind that group of banks. If this be true, we can see why the Nationalists are, or were winning out,———— all of America's dollars coming to China by the Red route! Is it any wonder that men with none too much principle rush for the Nationalist flag!

To diagnose is one thing, to treat another. There seems to be a choice of four routes.

(1) Withdrawal by Westerners from China. The many advocates of this idea are attracted by the thought that we could thus avoid war. A more dangerous fallacy there could not be. Every step backwards is a step towards war. The Christian races built up Europe and America. They have now pressed on into Hawaii, Alaska, the Philippines. We back down at our peril. At a false step the Reds in America and England will be at our throats. But with firmness we can go forward safely. The sending of troops to China has kept us out of war thus far.

(2) Conciliation. The writer sees no hope in conceding the demands about extrality. Every concession stimulates to more boldness and strengthens the Red grip on China.

The question should be considered, however, whether the Christian governments could even yet win back China by giving moral and financial support to the Nationalists. Red roubles are not omnipotent, any more than were the British pounds or the Japanese yen. There are still many hungry mouths seretched open. Would a Western loan meet the situation?

There are those who believe that British diplomacy is feeling for this clue. The papers seized in the Arcos House strengthen this thought. If so, we will watch the move with interest. If it could have been tried ten years ago, this would have prevented the present trouble.

But the road will not be easy. The relaxing of vigilance in Shanghai is a dangerous move. We are told that the new consul appointed for Shanghai by the Soviet was once a member of the Tcheka. If so, it suggests their purpose to start a stronger policy here. Will the Hankow method be tried, after we get soundly asleep, or maybe that "killing" which was planned last spring? Conciliation may be tried, but only with a hand near the hip pocket.

(3) Is war the remedy? There is no need to go into hysterics at the idea. There is ample *casus belli* now in the wanton flouting of treaties as mere scraps of paper. Western investments of men and money were based on confidence in the good faith of China. When two parties make a contract, there can be no unilateral violation thereof without perjury.

And the cruelties perpetrated on good and innocent people are such that the American Government must be prepared to face the loss of confidence among her own people, if something is not done. To say that punishment has already been meted out for the Nanking atrocities is puerile. A few school-boys were caught and shot, but what was done to Cheng Chien and to that man in the Sixth Nationalist Army, who planned and carried out that diabolical scheme?

But war is the last resort.

(4) The one thing necessary is to stop this flow of gold to these Bolsheviks. We note from Reuter's American Service that a bankers conference has been held in Washington, attended, among others, by *Dr. Schacht*, the President of the Reichsbank, the organization, which according to Sisson, took the lead in financing the Bolsheviks. The idea before this conference was to have America deposit some of her gold reserves in England, France, "*and other European banks of issue.*" The unthinking will not notice the significance of this move.

If America, England, France, Italy, would wake up on the financial issue, ways could be found to cut this flow of gold, and our old friend China would perforce again look to us for leadership.

HUGH W. WHITE.

c/o Associated Mission Treasurers, Shanghai.

China's Demand For Cotton Goods

(From the Manchester Guardian Commercial)

NEXT in importance to India as an importer of cotton goods is China, in which there is practically no limit to the possibilities of consumption. China is a very widespread market with a population whose requirements of clothing defy computation. In the interior of China, however, imported goods are slow in making progress, and the great majority of the peasant population uses cloths woven on hand-looms, while, in addition, the products of the Chinese industry, which is centred principally in the neighbourhood of Shanghai, also meet the needs of the poorer classes. Accordingly, the market for imported goods tends to be limited to the middle and upper classes and to the inhabitants of the towns, especially those along the seaboard or on the course of the great inland waterways. It thus happens that a large proportion of the imported goods is of quite high quality, and the average quality of the goods, if anything tends to increase, though in recent years, and, indeed, ever since the end of the old Empire, abnormal conditions due to internal strife have caused considerable restriction of the volume of trade, and have seriously interfered with the operation of many of the general tendencies which were previously discernable.

Owing to the lack of adequate and promptly published statistics of imports into China, it is impossible to form very precise ideas of the extent to which the different exporting countries are supplying China's needs of cotton goods, but it is all too apparent that Lancashire's former domination of the market has received severe blows from many quarters, but especially from Japan. Before the war Japanese competition was practically confined to the grey goods section, and a considerable trade was done in grey sheetings and drill, but since then grey jeans and white shirtings have grown in importance in Japan's exports, and finished goods from this source too are establishing a hold on the market, notably in black Italians and prints. While the main force of Japanese competition is still in the coarser unbleached cloths, more and more attention is being given to plain whites, and sateens and brocades—an important part of Chinese imports—are also being pushed by the Japanese industry. The United States has also gained a place in China trade, chiefly with heavy grey sheetings, drills, and jeans, and with cotton flannels manufactured on automatic looms in the southern States. These goods have proved relatively more attractive in the north, but Japan has disturbed the trade very much, and America has

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CHINA'S INTERNATIONAL RELATIONS AND OTHER ESSAYS, By Dr. H. F. MacNair, $2.50.

VITAL FACTORS IN CHINA'S PROBLEMS, By Dr. T. H. Lee, Ready in the September of 1927.

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lost a good deal of ground since the early years of the present century, though a fair business is still done in grey sheetings and in Venetians. Imports into China from Continental countries are unimportant, though Italy sends some styles of dyed and colored goods and Netherlands manufacturers do a small trade in white shirtings.

Bleached Shirtings Lead

Just as dhooties characterise India's imports of cotton goods, shirtings easily take the first place in China trade, with bleached styles occupying the more important position. Of the two principal suppliers of white shirtings Lancashire is the chief, with nearly three-quarters of the trade, but in greys the proportions are reversed. Especially in North China do Lancashire greys tend to be neglected in favor of those from Japan and America, which are comparatively free from sizing. Third in order of importance among China's staple imports are black Italians, which are supplied by Lancashire and Japan in approximately equal quantities, and a fourth staple is black Venetians, in which Lancashire is still easily predominant. Japan does about two-thirds of the business in plain prints, which constitute quite a large part of the trade, but cambrics, lawns, poplins, and colored goods come chiefly from the United Kingdom. Brocades also remain practically a British monopoly, as do most of the high-grade goods and figured styles, and Japanese exporters progress very slowly in the dyed goods section.

Most of China's import trade in cotton goods is done through Shanghai and Hong Kong, but a certain amount passes through Tientsin, Hankow, Antung, and Dairen. Shanghai serves as the distributing centre for the north and for the Yangtze Valley, while Hong Kong serves the south, and a large proportion of the goods entering Hong Kong afterwards enter China proper by way of Canton. In point of severity of competition and of variety of goods in demand the different markets in China show much fewer differences than do the various Indian centres, and the main distinctions between Shanghai and Hong Kong lie in the manner in which the business is done.

The main feature of the Shanghai market is the weekly auctions of piece goods, which in normal circumstances are held by three large English concerns with houses on the other side. On Tuesday the auction is held by Messrs. Probst, Hanbury, and Co., Ltd., or Kung Ping; on Wednesday by Messrs. Jardine, Mathieson, and Co., Ltd., or Ewo; and on Thursday by Messrs. Maitland and Co., Ltd., or Yuen Fong. After the end of July this year, however, the Wednesday auction will be abandoned. These auctions represent a large proportion of Shanghai's piece goods trade, especially in plain staples, including grey and white shirtings and black Italians and Venetians, while white lawns, black twills, and colored Italians are also offered for sale. Cloths are auctioned by their "chops," which serve as a trade mark of the manufacturer or shipper and as a guide to the buyer, and many of the names are very amusing to European observers.

Lancashire and Japan in Competition

In private sales at Shanghai the business is conducted in taels, and the question of exchange is left to the importer, or in the case of indent business, the sale is made in sterling, and the settling of exchange is the responsibility of the Chinese buyer. In Hong Kong, however, sales are effected in the local currency, the dollar, and, as the importing house settles exchange, the Chinese taste for speculation does not come into play.

The importance of China as a market for cotton goods has perhaps never been better brought out than during the last year or two. Strikes, boycotts, and civil wars have caused import trade to shrink very considerably, and the loss of this business has told very heavily on the industry both in Japan and in Britain. When normal trading conditions are restored, however, and communication with the interior is facilitated, China should offer a rich harvest to exporters of cotton goods, and it will be interesting to watch the progress of the struggle between Lancashire and Japan when the full force of Chinese demand is again in operation.

China at the Pacific Conference

Dr. David Z. T. Yui is the head of the Chinese delegation to the Institute of Pacific Relations at present in session in Honolulu. Other member are: Dr. M. Joshua Bau, Professor of Political Science, Normal University, Peking; L. T. Chen, Secretary of the National Committee of the Young Men's Christian Association of China, Shanghai; Dr. William Hung, Professor of History and Dean of the College of Arts and Science, Yenching University; S. C. Lee, Professor of Chinese History, University of Hawaii; O. S. Lieu, Shanghai; K. F. Lum, Honolulu; Dr. W. S. New, Shanghai; Charles Wong, Honolulu; Mrs. W. S. New, Shanghai; Mrs. C. F. Wang, sister-in-law of Dr. C. T. Wang; and Mrs. H. C. Zen, Peking.

Using Force To Collect Shanghai Taxes

Acting on the intimation given in a statement issued last week signed by Stirling Fessenden, chairman, the Shanghai Municipal Council has started to collect the taxes against the combined opposition of the Chinese community, by the use of coercive measures. These measures have taken various forms, cleverly devised to meet the respective situations.

The first class of Chinese establishments to be proceeded against were Chinese hotels and restaurants. When these refused to pay their taxes and licenses, the Municipal Council first made another attempt to collect by sending around a collector accompanied by police officers, among whom were Chinese. If the proprietors still refused to pay, the guests (in some instances) were turned out of the house, and baggage dumped on the sidewalk, and then the doors were sealed. In some cases the occupants were actually locked in and had to escape by means of windows on the upper floors.

Electricity Cut Off

As another measure of making the proprietors of places such as banks, jewelry stores and silk shops feel the displeasure of the Municipal authorities, the latter refused to provide police protection or to allow private watchmen to carry arms, thus exposing these places to the depredations of robbers, whose activities, even with the usual precautions, have been increasing very much in recent months.

The above are the measures that were used against that particular class of recalcitrants. In cases where the establishments were incorporated under a flag other than Chinese or British, the Municipal Council used the weapon of cutting off the supply of electricity, the electric current all coming from the Municipal plant. Establishments such as flour mills, silk mills, cotton mills, tobacco factories, regardless of whether they are Chinese or foreign incorporated, are being threatened with a similar cutting off of the supply of electricity—a threat which will perforce bring many an establishment to terms, as the Municipal electricity department has always been run on the idea of furnishing power at a very low rate, about one-quarter of that charged for lighting and fans. The *China Courier* Nationalist organ after having its electricity supply shut off continues to publish, using hand: set type and hand power.

Exposing Banks to Robbers

Coincident with these extra-legal measures the Council has started suits against Chinese banks in the Provisional Court and against British-incorporated Chinese concerns in the British Supreme Court. In both instances the cases will come to trial during the early part of next month. The return day of the cases against the British incorporated deprtment stores, Wing On and Sincere, was Monday, July 25, when pleadings were ordered. The stores are represented by Reader Harris, who is a son-in-law of the former British Supreme Court Judge, Skinner Turner.

Owing to the intimation given by the Nanking government, there have so far at least been no disorders following the extralegal measures resorted to by the Council. But there is a strong under-current in the Chinese community, and there is every indication that the resistance offered by the Chinese community is such that not only will there be a real effort made by the bureaucratic staff that conducts the affairs of Shanghai to reduce expenses, but that from pure *force majeure* the Municipal authorities will have to lend a sympathetic ear to Chinese aspirations for substantial and effective repreesntation on the Council. The Chinese are using as their slogan, "No taxation without representation."

Socony's House Organ Is Interesting

The *Meifoo Shield*, house organ of the Standard Oil Company of New York, Shanghai, in its July number contains an interesting article illustrated by cartoons dealing with the "Cinema in Japan," the article being written by G. C. Hadden of the Socony staff in Japan. The drawings are by Y. Kobayashi. In addition there is a poem entitled "Memories of the Mei Lu" by A. W. Peake, a description of the making of Java Batik by Jacqueline Bruins, and a play in one act entitled, "A Lubricating Oil Division Triumph," featuring Messrs. Hashagen, Sheridan, Perry and Sprague of the local staff. One page is devoted to pictures and biographical sketches of J. W. Carney and P. S. Hopkins who have been appointed Assistant General Managers in China and J. B. Emmert who has been appointed manager in the Dutch East Indies.

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The Views of A Senator and A Missionary

(From the Japan Chronicle, Kobe)

WE do not know whether the views of Dr. Paul Wakefield, of the Central China University of Hankow, are correctly reported in the *Japan Advertiser*, but if that is the case it is to be regretted that such ill-considered utterances should have found publication. Dr. Wakefield is a reactionist and militarist of the rawest description. His hero is Marshal Chang Tso-lin, "the most powerful military leader in China,"—especially when he has the Japanese army behind him. His *bete noire* is the Soviet Government, which has been the cause of all the trouble in China, and which has incited the boycott of Japan as one of "their deep-laid plans to uproot all other foreign influence and trade in China in order to give Russia the monopoly on China trade." The Chinese, of course, would never have dreamed of boycotting if the Russians had not taught them how it was done. The simple unsophisticated Chinese never bore any ill-will against Japan before the Soviet Government instilled it into their minds. The twenty-one demands were accepted by them with great glee, and it is quite a mistake to say that Japan delivered an ultimatum, after withdrawing part of the demands, and commenced mobilising her army, before the Chinese agreed to them. All boycotts of Japan in China that have occurred in the past are evidently pure fictions. They could not very well have been invented by the Soviet Government because there was no Soviet Government in existence in those days, but it there had been one it is easy to imagine that this is just the sort of devilish device they would have thought of, so they cannot be exculpated entirely. They would have done it if they had been there, and it is not their fault if they were not. One of the weapons used by the Soviet Government is the principle of hate, and the Rev. Dr. Wakefield—we presume he is a doctor of divinity—is so incensed at this that he would like all the other Powers to get together and hate Russia just as much as they can. Remove the Soviet influence from China and everybody will be quite contented, especially the business people and the merchants, who would welcome an opportunity to throw off the yoke of Russia and form an alliance with another foreign country that would enable them to do this. Dr. Wakefield does not explain how it is that the Japanese expedition, which is suspected of being directed against the South, has been received with such protests, even from the Northern Government. Can it be that Soviet influence has actually got Chang Tso-lin into its clutches?

But while Dr. Wakefield in one column of our contemporary proclaims that the Soviet Government is trying to destroy the ancient social system of China, Senator Bingham in the next column proclaims that the revolution in China is not a superficial movement, such as Dr. Wakefield thinks, but a change in the social and political characteristics of the Chinese people which is fundamental and permanent. It is impossible, he thinks, to stem the tide of revolution by supporting one party against another, as Dr. Wakefield would do, but then Senator Bingham has not Dr. Wakefield's experience, since the latter has lived there forty years, speaks the language and knows the country from A to Z. But even Senator Bingham has his little prejudices. He is convinced that the Nanking outrage was organised from Hankow and that Borodin was the organiser. Is there not evidence that the outrage was committed by the Sixth Revolutionary Army, and has not Borodin boasted that he was the organiser and trainer of that army and that it obeys his orders? Therefore the evidence is conclusive that he must have ordered it to perpetrate the Nanking outrage. We are afraid that such reasoning as this would not pass muster in the schools. We may train our servants and get them to obey our orders, though this is evidently a very large demand on the imagination, but if they were to go out and commit an outrage we should think ourselves rather hardly used if the courts held us responsible. Borodin, of course is not a respectable person, but chopping logic will not prove him guilty. Senator Bingham himself acknowledges that the Nationalist army is wanting in tact, to put it mildly. It does not know who are its friends and who are its foes. It has an unfortunate habit of occupying American mission property and turning it into a shambles. Further, the lack of tact extends to the Nanking Government, which is inclined to create misunderstanding by taxing American products exclusively.

Between Dr. Wakefield and Senator Bingham the investigator anxious to arrive at the truth of the China situation is not likely to make much progress. He may feel that Dr. Wakefield has lived a little too long in China to be able to speak without prejudice;—that like other foreigners there he has grown so accustomed to the old regime that he cannot accept the idea that the Chinese are awakening politically, and looks to some outside cause to explain what all the fuss is about. Senator Bingham is a little over-powered with the importance of his nationality and is inclined to look at everything from the American point of view. He wants America to be in at the end of the race and to take no chances of being left out in the cold. This is no doubt quite commendable, but it does not help China forward. Both Dr. Wakefield and Senator Bingham look upon the problem as a matter of trade. To Dr. Wakefield the trouble arises from the Soviet trying to deprive the other Powers of their China trade. Senator Bingham does not go as far as this, but he is very anxious lest America's trade be affected and he urges that the Nationalist Government should not be allowed a chance of getting a grudge against the American Government. The picture of the Powers squabbling for China's trade is not a very edifying one.

Peking Unimpressed By Senator Bingham's Views

BY RANDALL GOULD

United Press Correspondent

Senator Hiram Bingham's pleasant words anent the Nationalists (which appeared in *The Review* on July 9) dropped upon the Legation Quarter here with the mildness and beneficial effect of a summer hailstorm.

Loud cheers were conspicuous by their absence as the foreign diplomats perused Shanghai dispatches describing the Senator's scheme for the sending out of foreign commissioners to establish relations with Hankow, Nanking and Peking Chinese authorities.

Sounds suspiciously similar to the gnashing of teeth were audible when readers came to this: "During my investigations I have found a conspicuous absence of the Golden Rule in etiquette and social intercourse on the part of Americans, following by the British, in relations with the Chinese, which is doing much harm."

Food For Thought

And that an American Senator could find good in the Americanized Soviet High Advisor Michael Borodin is an enigma which will furnish most Peking foreigners with food for thought many a long and dreary winter evening.

To new arrivals here the reception of Senator Bingham's findings on the Yangtze situation—findings which to the newcomers seem in no way startling, and in fact extremely sensible—has afforded a valuable key to that curiously looked up article known as the Peking Intellect. At the same time it has given point to the remark attributed to Mr. Harold Dollar to the effect that "To deal with the New China we must have a new set of foreign officials and of foreign businessmen."

Where Cynicism Rules

Legation Quarter, unlike the Shanghai Bund, does not specialize in bitterness. There is less of heated denunciation here than in the trade marts, it is true. But cynicism, the prevailing Peking note, seems an even more destructive quality when administered as a factor in diplomatic dealings with an awakening nation, and among the residents of Legation Quarter at present cynicism seems ingrained.

Senator Bingham, like other visitors to China, brings a fresh viewpoint. Legation Quarter, somewhat knocked breathless by the result of his conversations with the Nationalists, drops back on a cynical, "Well, he'd see things differently if he had to work with these people a while. He'd learn something then!"

Where It Hurts

But the point which pricks through Legation Quarter armor is the fact that Senator Bingham is only confirming the opinions of many other less distinguished observers. He is putting a stamp of approval on views which have been voiced before but which have been cast out of court with the brand of "bolshevism" stamped across in red.

This is coupled with the fact that old-style diplomacy, as personified by present Legation Quarter personnel, has failed dismally. Of that there can no longer be question. The only question is the question of what is to be done in future. And something along the line of the Bingham utterances seems to be shaping up on the horizon.

The breaking of the new dawn for China may make a pretty picture to some. But from Legation Quarter it looks like bad weather ahead.

Does China Want America's Friendship?

BY GEORGE R. GROSE

(Resident Bishop, Methodist Episcopal Church, Peking)

NO one can read the American press or talk with the masses of the people without getting the impression of the genuine friendliness of Americans toward China. Another impression is clear and strong, the sincere sympathy of the American people with the Nationalist movement. With only vague information concerning the confused political conditions in China the average American citizen is strongly in favor of China's national aspirations. All the traditions of his own country make him the friend of every country seeking its full sovereign rights.

Further, the clearly defined policy of the American Government is not to interfere with China in the working out of her own national problems. In spite of the raving of the "fire-eaters" and apostles of military force for the protection of trade America has refused to be drawn into any alliance or entanglement that would compromise this traditional policy of non-intervention.

China's Friends Disturbed

The friends of China are disturbed by the threatened breach of American friendship. This breach is threatened by the apparent changed attitude of the Chinese toward the missionaries. As a precautionary measure in order to avoid any occasion of the use of foreign military force for the protection of foreigners in case of mob violence, by consular advice more than half of the missionaries in China have been withdrawn from their stations. At least three thousand have returned to their native land. Due to local disturbances or to the opposition of the populace incited by Soviet hirelings many missionaries suffered personal loss and severe hardships. In most places there has been an attitude of utmost friendliness on the part of the people among whom the missionaries labor. The opposition has been incited in large part by hireling agitators from the outside or by brutal soldiers. At the same time missionaries have been severely criticized by some of the intellectual leaders of China and by some of the graduates of Christian schools. These critics of the missionaries and opponents of Christianity grudgingly recognize the service being rendered the Chinese people by hospitals, schools and other Christian philanthropies. Their hand is raised against the Christian movement as being alien if not inimical to China's progress.

I am presenting here no brief for the missionaries. I offer no apologies for Christianity. Granted that the missionary has sometimes been mistaken in his methods and that many of his efforts at evangelization have been ill-advised. Granted that Christianity as interpreted by the West may not appeal most effectively to the oriental mind and temperament. There are still certain facts which should be borne in mind by all who prize the friendship of America and China.

For Those Who Prize Sino-American Accord

First, in the minds of those who support the missionary enterprise it is a purely altruistic movement. Missionaries have come to China with the unselfish purpose of doing good to the people. The purity of motive of certain individual missionaries may be questioned. The political attitude of the country from which the missionaries come may be challenged. But eight thousand Christian missionaries in China are supported chiefly by dollar gifts from the average man and ten cent pieces from Sunday school boys and girls. The great majority of this multitude of small donors have never seen a Chinese and yet they give and continue to give for the support of the missionary in the conviction that the gospel of Christ will do as much for the Chinese people and their country as it has done for America. The larger part of the money raised for the support of Christian missions is given by people whose sole purpose is to share the blessings of the Christian religion with the peoples of the world. The annual gift of one hundred million dollars for the spread of the gospel in non-Christian lands is the pledge of unselfish friendship and of the faith of western Christians in the work of the missionary.

The average American does not seem to be very religious. He is not a regular church goer. He makes no religious pilgrimages. He celebrates few religious festivals. But attack his religion and you have attacked his very life. With all its faults and failures the civilization of the West is the fruitage of Christianity. America has nothing to offer to the people of the Orient in political and social ideals, in educational and material progress that is not the direct product of the Christian religion. The man of the West is honest enough to recognize this fact the moment his religion is attacked. The cry that is being raised against the missionary in some Chinese

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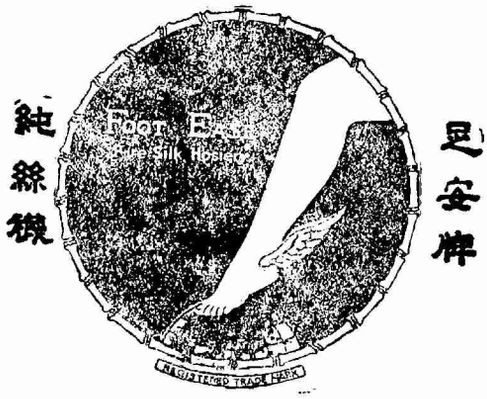

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circles is regarded by the average man in America as an attack upon the Christian religion. He is not familiar with the complex conditions in China. But he is wounded and grieved by the threatened failure of his benevolence and by the apparent ingratitude of those whom he sought unselfishly to befriend. There is grave danger in the present emergency of the alienation of many of the sincere friends of China.

Missionary Interest Larger Than Trade

Again it needs to be borne in mind by the critics of Christian missions that the missionary enterprise is the largest interest of western nations in China. The total amount of money represented in the missionary and philanthropic institutions of the Christian church in China is larger in the aggregate than the trade interest of the west. The trade of America with China is not important in comparison with the philanthropic interests supported by American benevolence. The very magnitude of the missionary enterprise is a token of the good faith of the American people toward China.

The people of America and China should meet each other on the basis of cultural reciprocity. There has not been hitherto adequate appreciation by the West of the culture of the East. There is evidence of a growing contempt by the Chinese for everything foreign. Neither country can afford to jeopardize the good will of the other. China can and must work out her own salvation. America must share her best with China in order to retain the best for herself. There is no disposition on the part of the West to force the Christian religion upon a reluctant people. If China receives the missionaries not with suspicion of ulterior motives but as apostles of good will to work as colleagues with the Chinese people in building up a society of love through spiritual fellowship the missionary enterprise will be fully vindicated by its results.

Time for Serious Thought

In the interest of mutual understanding and helpfulness it is time that a great silence fell upon the critics and fault finders. Let westerners who see no good in the Chinese and no hope for China return speedily to their own shores. Let Chinese critics of western institutions and of the Christian church remember that the growing stream of American benevolence springs from the hearts of millions of friendly Americans moved solely by unselfish motives. It matters little whether individual westerners like China's way of doing things. It matters little whether the conscience of eight thousand Christian missionaries is approved by popular vote. It matters most whether the people of China and America with real friendship, with true respect and honor and with growing good will earnestly strive to promote reverence for law, education and true religion—the only foundation of a better civilization.

Peking, July 24, 1927

Standard Oil Company of N. Y. Planning Large Loan to Soviet?

According to a *United Press* dispatch from Berlin, dated July 13, appearing in the *North China Star*, the Standard Oil Company of New York, a branch of which is heavily interested in China, is now negotiating with the object of advancing a loan of between G. $50,000,000 and G.$75,000,000 to the Soviet Government, the loan being advanced in connection with three important oil contracts which recently were signed in New York by the vice-president of the Soviet Naptha Syndicate and the Standard Oil interests.

The three contracts, according to the *United Press* message, involve delivery by the U. S. S. R. of at least a half million tons of oil a year over a five year period together with Standard Oil sales rights for Turkish bunkers, Port Said and Colombo. The contract also provides for the sale rights for Soviet oil in certain markets by the Vacuum Oil Company, a Standard subsidiary, and for a three year Vacuum Oil Company option on sales in Egypt. The reported Standard Oil loan, which probably will be advanced through the National City Bank of New York, is supposed to be in consideration of the contract with the Soviet oil trust.

This report by the *United Press* substantially confirms an earlier report which appeared in *The Review* regarding the Standard Oil Company's deal with the Soviet Government, which was reproduced in our columns from a report in the Paris edition of the *Chicago Tribune* several weeks ago. According to the report in the Paris edition of the *Tribune* the raid which the British Government staged on the Soviet Arcos House in London was for the purpose of obtaining a copy of the agreement which the Standard Oil Company had made with the Soviet Oil Trust and which the British Government and British oil interests had reasons for believing was in one of the safes of Arcos House.

Frederick Moore "Stubs His Toes on the Jews"

(BY DR. C. J. FOX IN *The North-China Star*)

My esteemed colleague, Mr. Frederick Moore, Special Correspondent of the *New York Times* in Peking, recently saw fit to give me a little free publicity by referring to me as "an American lawyer named Fox, owner of a small Tientsin newspaper." This was called to my attention yesterday and I decided to seize the first opportunity that presented itself to reciprocate with a little free publicity in my "small Tientsin newspaper." Mr. Frederick Moore is, or was on July 14, in Tsingtao, where on that day as principal guest of the Lions Club he made an address on Missionaries and "Imperialism." The address was published verbatim in the *Tsingtao Times* and has been reproduced in other English language newspapers in China. The Special Correspondent of the *N. Y. Times*, in this Tsingtao address, made a rather clever attack upon the Nationalist cause in China and the alleged Soviet leadership in the Southern political and military movement.

Towards the end of his address, Mr. Moore took occasion to use the old anti-Semitic argument against the present Russian government. He said:

> "It is needless for me to say that I hold no brief for the Northern Militarists, so-called. I have long recognized that their system for China is wretched, hopeless. But at least under them the missions were safe. On the other hand, the anti-Christian policy of the Bolshevised South means death to much mission work. The missionaries who sympathised with the Nationalist movement and supported it were evidently ignorant of the anti-Christian character of the present Russian Government (largely Jewish); or they may have refused to believe the fact of Soviet leadership in the Southern political and military movement."

Perhaps the present Russian Government is "largely Jewish" and perhaps this argument is sufficient explanation for some people of its alleged "anti-Christian character." This anti-Semitic argument might be quite well suited in an address made at Tsingtao, or elsewhere, by a special representative of Henry Ford's *Dearborn Independent*, but it is particularly inappropriate in an address made by a special representative of the *N. Y. Times*.

I ask Mr. Frederick Moore in all frankness whether the present Russian Government is any more "largely Jewish" than the *New York Times*, which he has the honor to represent out here in China. The owners of the *New York Times* are Jews. Several of the immediate superiors of Mr. Frederick Moore are Jews. A very heavy percentage of the largest advertisers in the columns of the *New York Times* are Jews. I should like to ask Mr. Frederick Moore furthermore, whether the "largely Jewish" character of one of the world's greatest newspapers gives it in any sense an "anti-Christian character."

Mr. Frederick Moore may be an experienced propagandist, but in Tsingtao he appears to have stubbed his toe on anti-Semitism, just as in Shanghai he stumbled over the French Concession, the existence of which had escaped his attention.

Customs Tariff Increased—Likin Abolished.

The following is a translation, by C. Y. W. Meng, of the recent proclamation by the Nationalist government on the abolition of likin and increasing the Customs duties.

Although our country is extensive in territory and dense in population, the financial standing of our people has been gradually deteriorating. This has been due partly to poor management on the part of our people, but more to the fact that externally we are bound by the conventional tariff and internally have been suffering from likin. As a result Chinese products cannot circulate freely, Chinese industries are not developed, and the living conditions of the people are made very difficult.

The Nationalist government, which has the confidence of the people, has always been working to develop the economic life of the country, and we have come to the conclusion that unless the likin system and other similar systems are totally abolished there is no possibility of removing the sufferings of the people. Unless the unequal treaties providing for the conventional tariff, which has been a great infringement of our admimistrative power, is abrogated, there is no opportunity for us to secure tariff autonomy. For this reason the Nationalist government has decided to abolish likin and to declare tariff autonomy within the shortest possible time.

Likin is a form of transit tax and was originally introduced as an emergency measure. But unfortunately, once introduced, it was continued up to the present day. In addition to likin, other similar levies were made on goods from all of which the Chinese merchants suffered heavily and they are now eager to have the system abolished. Previous governments, caring nothing for the welfare of the people, did nothing. Not only did Chinese merchants suffer, but foreign merchants were also inconvenienced. It was a vicious system.

Now, it has been decided that within the six provinces under the control of the Nationalist Government we will abolish the vicious system. All transit duties, no matter what their appellation, will be totally abolished, native customs duties, mercantile duties, transit duties, coast trade duties, etc, are all to be abolished.

As to tariff antonomy, it has long been the earnest desire of the Chinese people to secure it. But for the sake of friendship, this question has not been solved. Now, the Nationalist Government, not having in view the taking of any retaliatory steps, but rather in order to improve the economic conditions of her people and to meet the financial needs of the country, is obliged to take action to enforce the national tariff law based upon well established international principles. As to imported goods, an increase in rate will be made, in order to meet the needs of the situation. All rules regulating the abolition of transit duties and enforcement of the national tariff law have been promulgated.

Now, it is decided that commencing from the first of September, likin will be abolished, and at the same time tariff antonomy will be declared. On one hand, within these six provinces, all transit duties will be abolished, and in the other, all imported goods will be taxed according to the new scheduled rates. But for all the imported goods ordered before the proclamation, the cost of the increase will be borne by the orderer in order to show justice. Besides instructing the heads of financial departments of different provinces and commissioners of customs to this effect, let this order be obeyed by all merchants, Chinese and foreign alike.

Pros and Cons of the Filipino Question

"Philippine Anomalies" is the title of a pamphlet recently issued by D. R. Williams, at one time secretary of the Taft Philippine Commission. The following excerpt will show its general trend: "Manuel Quezon (who has fed at the public crib for over twenty years because of United States sovereignty and protection), says he 'would prefer a government run like hell by Filipinos than one run like heaven by Americans.' Inasmuch, however, as the principal victims of the hell he so grandiloquently invites would be the great inarticulate masses of the Philippine peoples—who would bear the burdens and reap none of the pelf, his right to speak for them cannot be taken seriously."

Manuel Quezon while in Shanghai last week, made the following statement in connection with a dispatch from Manila stating that he had been in close touch with the communists in China:

"My visit in China has no political significance of any kind. I am here just for a good time. I never had any connection with the Communist movement anywhere. I dont know anything about Mr. Borodin, never met him, never had any connection with him nor never expect to. I dont believe in Communism and I am against it. I am the leader at present of the Nationalist party in the Philippines, and, therefore, I sympathise with the Nationalist movement anywhere. I believe that the success of Nationalism as against Imperialism will promote the cause of justice, peace and progress of mankind. But while I have these ideas, the campaign for Philippine independence is not connected with the Nationalist movement elsewhere. We the Filipinos know that the question of the future relations between the United States and the Philippines will be decided by America alone and we have pinned our hope in the sense of justice and the generosity of the American people and on them alone. Everything else said to the contrary is nonsense."

Times' Correspondent Missing?

F. B. Riley, correspondent in China for the *London Times*, who went to Hankow two weeks ago was reported missing by the British Naval wireless reports from Hankow, on Tuesday, July 26. About a week ago Mr. Riley, accompanied by the Belgian Consul-General at Hankow, Mr. Guillaume, went to Chengchow and Loyang, Honan province, for the purpose of investigating conditions and interviewing the 'Christian General' Feng Yu-hsiang. According to the report, Mr. Riley was last seen walking in the country in the vicinity of Chengchow and since that time has not been heard from.

"Has The United States A Chinese Policy?"

(Concluded from last week)

America's Forces Used For Protection

During the past four months, it has been demonstrated that there exists in China no governing authority which can guarantee to foreigners in certain areas either protection ***in situ*** or safe-conduct to places of security in China or to points of departure from China. The American Government has dispatched to China naval and land forces, as have other governments, for the protection of its nationals. American naval vessels have been used to assist in the evacuation of foreigners from points in the interior. In several instances when fired upon by Chinese armed forces they have returned the fire. In one instance only have they fired without first having been fired upon,—when, at Nanking, after foreigners in the city had been under Chinese fire all day and some had been killed, they threw a barrage around the Socony Compound to make possible the escape of a group of foreigners who were in imminent danger of their lives at the hands of Chinese soldiers. American marines have been landed at Shanghai and are participating there in maintaining order in the foreign-administered area (within which are resident some 40,000 foreigners, exclusive of refugees, and some 1,200,000 Chinese) and in preventing troops of any of the contending Chinese armies from invading that area.

This action of the American Government has drawn expostulations both from American and from Chinese sources. The cry has been raised that from the traditional American policy of goodwill and non-aggression toward China the United States has been drawn away into accepting a made-in-Europe policy. Until the Nanking incident, contenders of this school almost unanimously held the view that the United States should refrain from disposing in China any armed forces whatever.

Secretary Kellogg declares in a published statement; "American diplomatic and military representatives in China are cooperating fully with other foreign representatives ***when faced with a joint problem*** such as protection of the lives and property of their nationals." Senator Borah declares in a public address: "We are *not* sending our armed forces to China to do battle with the armed forces of China." President Coolidge takes occasion to explain that our troops will cooperate with other foreign troops for the specifically limited purpose of protecting American lives when cooperation promotes this end; but that there will be no "unified command;" and he declares: "Our citizens are being concentrated in ports where we can protect them and remove them. It is solely for this purpose that our warships and marines are in that territory."

The United States is unquestionably committed by tradition, by precedent, and by declaration to certain definite principles of China policy. These principles are: assurance of equality of opportunity; respect for China's sovereignty and territorial integrity; non-interference in China's domestic affairs; non-aggression; and insistence that China perform the obligations of a sovereign state in protection of foreign citizens. The United States is also committed, partly by tradition and precedent, but more particularly by the provisions and spirit of the Washington agreements, to the principle of cooperative action.

In the presence of conditions such as now exist in China, can a plan of action be devised which will be consistent at once with the principles of non-aggression, of insistence that China afford proper protection to foreigners, and of cooperation?

Efforts have been made to commit the American Government to going along with other Powers if and when those Powers decide upon measures of coercion. But in the 1830's and in the 1850's such efforts were made. The American Government was implored to participate in armed hostilities against China—and it refused. In 1900 the American Government sent troops to China, as did other governments, but not for purposes of aggression. American armed forces are now cooperating with those of other countries, as they did in 1900. Yet McKinley's and Hay's policy in 1900 was "to seek a solution which will safeguard the independence and integrity of the Chinese Empire;" and during the negotiations which ensued W. W. Rockhill, at Peking, with John Hay behind him at Washington, stood between Chinese officialdom and the crushing proposals of certain other Powers. What would the American Government have been able to do in those negotiations if it had not participated in the relief of the Legations?

The Question of Cooperation

But what about "cooperation" now? Concerted action is one of the most desirable things and one of the things most

difficult to achieve in the field of human endeavor. It is difficult enough as between two individuals. Where a dozen nations are involved the difficulty is multiplied many-fold. Americans *have* cooperated with the nationals of other countries in China in many ways and over long periods of time. American officials and the American Government have cooperated with the officials and the governments of other countries, frequently, effectively and through periods of years, in China. The American Government has from time to time definitely advocated, and at Washington actually brought about, an agreement that there should be cooperation. Where this principle is adopted, there must either be express commitment as to specified courses of action, or provision that the will of the majority shall prevail, or an understanding that in the absence of specifications and of the majority rule each party shall be free to participate in or to abstain from action proposed. The Washington treaties committed the Powers—and in reference to some matters, China—to cooperation in relation to certain specified matters; they committeed them to the *not*-doing of certain things, to self-denial. The separate treaties between China and the Powers individually commit the parties to certain things. But is there anywhere a provision which prescribes a course of action to be taken in case of breach of treaty provision, a provision whereunder, for instance, in case China disregards or cannot fulfil her treaty pledges to one or to all of the treaty Powers, those Powers are pledged jointly to employ force in an effort to penalize or to coerce her? The United States never has participated in aggressive action against China and has never entered into any engagement so to do. It has no commitments which lay upon it the obligation to use its forces in 1927 for any other than a common protective end.

The question whether the United States should or should not cooperate in the use of force to compel one or another of the Chinese authorities to honor China's treaty obligations is one in the answering of which the American Government is no less free now than it was in 1900 and in 1853 and in 1840 to exercise its own judgment and to decide according to its reading of American public opinion and its estimate of the various rights and interests and other considerations involved.

At this point there comes a series of questions. What, in the presence of existing conditions and circumstances, would the American Government have a legal right to do in China? What would it be politically expedient for it to do? What is the extent of its lawful obligation to citizens of the United States in regard to (*a*) protection of life, (*b*) protection of property, (*c*) enforcement of rights accorded under treaty provisions in general? How many, and where, are the persons to be protected? How much, where, and of what value is the property which is threatened? Of what sort and of what value are the general treaty rights for which enforcement is sought? What do the people of the United States want the Government to do? What is it advisable for it to do?

A Competent Staff in Washington

There are present in the Far Eastern Division of the Department of State five officers each of whom has had long experience in the Far East. Two of these men were born and brought up in China. Three have had more than fifteen years each of official "career" service in China, read and speak Chinese, and have served both in consulates and at the Legation in Peking. One has been Consul-General-at-Large in the Far East. A fourth has had more than thirty years in the Consular service, of which the past thirteen have been in China and the past eight as Consul-General at the most important port in China. The fifth has had twenty years of "career" service in Japan, in Manchuria and in Siberia, and speaks and reads Japanese. The American Minister to China is a recognized authority on China and has served in Siam, in Russia, and in Japan, as well as twice in China and for six years in the Department of State. These men know their Far East.

In the conduct of foreign relations the Department of State pays much attention to the question of legal rights and lawful obligations. It is well informed with regard to the number and location of American citizens and the value and location of American property in China, and with regard to American investments, trade and other interests involved. With regard to what the people of the United States want, it must form its own conclusions, but it is in much better position to judge than is the man in the street or in the business office or at missionary headquarters or in the study,—for there pour in to it from a thousand quarters, from all over the United States, from all over China, from all over the world, reports, dispatches, petitions, resolutions, letters, telegrams and memoranda expressive of opinions, hopes, desires and demands.

There is no unanimity of opinion—it goes without saying—among Americans, either in the United States, or in China, or elsewhere with regard to what the Government *ought* to do. Merely among Americans resident in China three sets of interests, three points of view, and three schools of thought are readily distinguishable. The merchant class is concerned about markets; the missionary class is concerned about propagation of ideas; the official class is concerned about persons and property in relation to laws and principles. But not all of the merchants hold the same views regarding policy, either commercial or political; not all of the missionaries are engaged in the same lines of endeavor, have the same outlook, or advocate the same policies, either for the societies under which they work or for the Government to which they owe allegiance; and not all of the officials have the same views with regard to what is expedient or what is advisable. The interests, the views and the objectives of the importer and the exporter differ considerably from those of the banker and the railway builder. The perspective and the views of the missionary who sits in a comfortable office in the security of Shanghai, and those of the missionary who resides, by virtue of a special treaty provision and the Grace of Providence, in a remote village in the interior, travelling year in and year out among vocational and avocational bandits, are quite different. Even among the diplomatic and consular officials there is by no means always identity of view, though within this class there is as a rule less diversity and less particularity of view than within the other classes.

And the views of a class, or of a majority within a class as well as of individuals, are subject to change, sometime, radical and rapid change. Thus, the views of the missionaries with regard to the Nationalist Government at Hankow and with regard to the presence of foreign armed forces in Chinese waters and at Shanghai appear to have undergone considerable modification since March 24 (the Nanking incident).

In considering what it may or may not do, what it will or will not do with regard to China, an Administration must necessarily consider not alone relations with China but also relations with other Powers. The American Government is responsible for considering and safeguarding the interests of all Americans, not only all Americans in China but all Americans everywhere; it has to consider the safety and interests of the whole American people.

In Regard To Treaties

In deciding what it may or may not do, an Administration must turn both to national law and to international law. It does not have an altogether free hand—or will—in relation to such a question as, for instance, that of affording protection. Treaties are made between governments, but they provide for rights of persons as well as of states. In the United States treaties are a part of the law of the land. Is it not, then, an obligation, a duty of the government to protect its citizens in the enjoyment of their lawful rights? Ordinarily this obligation is met, this function performed, by diplomatic processes. But where a foreign government has become powerless, where there is no local authority able to afford protection, where American nationals are in danger of violence to their persons, is it not the duty of the American Government to substitute its own police force for the local police forces which should be but are not present? The only way to protect life is to prevent its being taken.

The American Government has commitments—to China and to other Powers. And so has China commitments—to the United States and to the other Powers. The American Government tries to live up to its commitments.

In dealing with China the Powers have tried almost every line of policy imaginable. There have been periods of independent action (free competition), periods of partial cooperation, periods of complete cooperation, periods of informal cooperation, periods of cooperation by agreement. The theory of the Washington treaties is cooperation. The American Government cooperated with the others at the Tariff Conference, in the work of the Extraterritoriality Commission, in connection with representations to both of the contending Chinese factions in North China in 1926 with regard to what is called the "Taku Incident." American forces are cooperating now with those of other foreign Powers in China. As Secretary Kellogg has stated, "American diplomatic and military representatives in China are cooperating fully with other foreign representatives when faced with a joint problem such as the protection of the lives and property of their nationals."

That appears, however, to be the limit within which it intends to use force. It has cooperated in the presentation of demands to Nationalist authorities in connection with the Nanking Incident. But it apparently declines to participate in proposed measures of a coercive character conceived with a view to following up those demands. Whence, now, the charge that by holding back it is untrue to the principle of cooperative action.

This charge is not warranted. The theory of the cooperative policy does not require that in whatever direction one or more Powers may wish to proceed the others must go; and the express commitments with regard to cooperation are commitments individually and collectively to refrain from aggres-

sion, not commitments collectively to proceed in measures of coercion. Any one of the states committed to the cooperative policy may without violation either of the letter or of the spirit of the policy object to a proposed positive program and decline to participate in its execution, without violation of either the letter or the spirit of the cooperative policy. In fact, in case some states proceed with such a program in spite of objection and of refusal to participate on the part of others, is it not those who act, rather than those who decline to act who forsake the cooperative principle?

As a matter of fact, while the cooperative principle has been in force, several Powers have not hesitated to act independently. While the Powers were acting in common in negotiating at Peking concerning the Chinese Customs Tariff, Japan was, with the full knowledge of all the others, negotiating with the Peking Government for a new and separate commercial treaty between itself and China. Belgium has been negotiating with Peking during the past six months. Great Britain has been negotiating with both the Peking and the Nationalist (Hankow) authorities. The principle of cooperative action applies properly where there has been or can be achieved a unanimity of opinion with regard to a proposed action wherein common rights and interests are involved. The principle of independent action may be applied properly where such unanimity has not been or cannot be achieved, or where the issue is one in which rights and interests peculiar to one or several Powers only are involved. In view of difficulties experienced, Secretary Kellogg has declared in regard to such questions as, for instance, the tariff, that the American Government is prepared either to continue negotiations in common with the other Powers or to enter upon negotiations between China and the United States alone.

Americans Wish Chinese Well

In final analysis the Government has to make up its own mind with regard to what is lawful, what is possible, what is expedient, what is advisable—what is to be done. This the Government appears to have done and to be doing, without fuss and without confusion. It is well equipped adequately to consider the factors and to arrive at sound conclusions. It is not likely that it will depart far from the established lines of American policy. Even if it should wish to, it would find it difficult to do so. The Chinese policy of the Government always has been responsive to the attitude and wishes of the American people. Public opinion is becoming more and more an active and conclusive influence in the determining of policy and of action. Public opinion does not change rapidly. The American people are possessed of a peculiarly sympathetic attitude toward the Chinese people, an attitude which is somewhat sentimental and somewhat patronizing but genuinely benevolent. Warranted or not, Americans regard the Chinese as a nation of great potentialities, wish them well, believe that they will be better off and the world better off if they govern themselves, and believe them capable of self-government. The American people are opposed to any course of action which would constitute, in their opinion, "aggression" against the Chinese people.

In only one particular, so far as is discernible, has the present Administration deviated from the course prescribed by the traditions, the precedents and the practices to which, in reference to China, it has fallen heir from preceding Administrations. For almost a hundred and fifty years the American people and the American Government have proceeded on the assumption that in China there was a Government capable of performing the ordinarily accepted functions of a sovereign authority. Now, and for the time being, the American Government has apparently, of necessity, given up that assumption—as have the other foreign Governments.

The Government appears fully to understand what it is about. It has declared clearly the principles of its position. It has stated what it is prepared to do with regard to treaties and for what purpose it has sent armed forces. In the presence of an obscure and involved situation in China, where political chaos may continue for a long time, it has envisaged the fundamental facts and taken a "long swing" view, profiting by the lessons of history. Its acts have been consistent with its statements. There is no evidence to warrant the assertion that it has departed from the traditions of American policy or the apprehension that it will do so. We may assume that it will continue along the line which it has followed during the past few months, which is simply a practical application of principles which have been developed during a century and a half of American contact with China.

There is every reason to expect that it will continue to pursue a course directed toward the protection of American lives and the conservation of American interests.

Where there is occasion for concurrent action, the United States may be expected to use its influence in the direction of restraint—in opposition to aggression. If aggression is decided upon, it may reasonably be expected that the United States will not participate.

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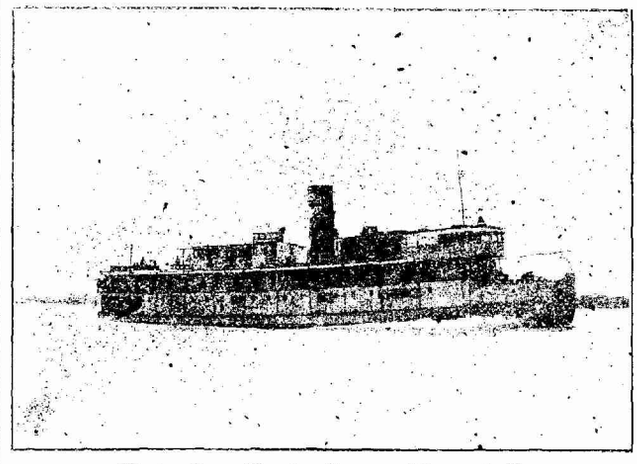

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Men and Events

A. Q. Adamson of the Y. M. C. A. Architectural Bureau has moved his residence to 92 Route de Say Zoong, Shanghai.

Sir Percival Phillips, correspondent for the *London Daily Mail* who has been in North China for several weeks, has returned to Shanghai.

C. J. Ketchum, correspondent in China for the *London Daily Express* has returned to Shanghai from a trip to North China.

C. W. Pettit and G. A. Fitch have been elected on the Navy Y. M. C. A. Board of Shanghai. Dr. A. H. Swan is the new chairman of the Board.

P. K. Gravely, a prominent tobacco man, and T. H. Scanlon of the Sun Maid Raisin Co. arrived in Shanghai by the s. s. *President Madison* July 21.

H. Landis, of the British American Tobacco Company, returned to Shanghai from a vacation in the United States by the s. s. *President Madison*, July 21.

J. W. Moss, representative of the Goodyear Rubber Company, has arrived in Shanghai on an inspection tour of the Oriental agencies of the said Company.

Professor W. C. Howard, of Lingnam University, Canton, passed through Shanghai, July 22 on the s s. *President Lincoln*, on his way to the United States, on furlough.

Francis Misselwitz, correspondent in China for the *New York Times*, who has been in Hankow for some time has returned to Shanghai and is living at the American Club.

Mr. and Mrs. G. D. Woodyard of Shanghai are planning to depart in September for a trip to Mexico. Mr. Woodyard is connected with the Fobes Company, Ltd., of Shanghai.

T. E. Grant of the *London Daily Mirror*, who has been in China for several months has departed for home, traveling by was of Canada where he expects to cover the trip of the Prince of Wales, before returning to England.

Vincent Sheean, special correspondent in China for the *North American Newspaper Alliance*, has just arrived in Peking after a long trip through the interior of China which included Hupeh, Honan, Shensi and Shansi provinces.

There are now 21 foreign gunboats in the Hankow harbor, according to a report in the *People's Tribune*, organ of the Wu-Han Government. Four nationalities are represented, the British having 7 boats, Americans 5, Japanese 7 and French 2.

Completion of the steelwork in the new Equitable Trust Company building on Broad and Wall Streets, New York, was celebrated June 29 when Arthur W. Loasby, President, drove home the last rivet, a golden one, on the thirty-eighth and top floor of the skyscraper.

The Standard Oil Company of New York has reopened its office in Changsha, Hunan province, according to a report appearing in the Hankow newspapers, which states that A. A. Dorrence, local manager has returned and reopened the offices, which had been closed for some time.

Paul W. Brown, Executive Secretary of the Navy Y. M. C. A. in China, departed on the s. s. *President. Lincoln* July 22 on furlough in the United States. Mrs. Brown and their daughter Betty accompanied. Wilbur Judd is Acting Executive Secretary during the absence of Mr. Brown.

The American Consul-General at Canton, Douglas Jenkins, and his wife and daughter, have departed for America on furlough, after four years at Canton where Mr. Jenkins was Senior Consul. He is succeeded by J. C. Houston, from Tientsin, who has seen previous serivce at Canton and Hankow.

"International News Communication," is the title of a valuable Bulletin issued by the University of Missouri. (Journalism Series), Its author is Eugene Webster Sharp, B. J., A. M. It explains in a succinct manner the parts played by the submarine cable and radio in the dissemination of world news.

The bridge across Soochow creek at Markham road connecting the International Settlement with Chinese territory, collapsed July 23, injuring two Chinese. The bridge was the joint property of the foreign and Chinese authorities and the subject of its maintenance has frequently been a matter of dispute.

Judge Milton D. Purdy in the United States Court for China July 22 fined W. W. Worthington, Shanghai attorney, and Samuel Chaiet, each three hundred gold dollars, following their conviction on a charge of dealing in contraband goods (in this case firearms). Judge Purdy intimated that in future much severer sentences would be imposed.

At the Institute of Politics to be held at Williams College, Williams town, Mass., July 28 to August 25, there will be a special round table conference on China, to be conducted under the

Who's Who in China

Mr. Hsia Chi-feng
夏奇峰

Mr. Hsia Chi-feng is a native of Yangchow, Kiangsu province where he was born in 1889. After graduation from the Nanhui Middle School he came to Shanghai and became an instructor in a private school in 1911 where he continued until 1916 when he went to France as an interpreter-foreman with the Chinese Labor Corps attached to the British expeditionary forces. After the armistice Mr. Hsia returned to China and contributed a series of articles to various publications dealing with labor conditions in Europe. In 1919 Mr. Hsia was appointed Labor and Diplomatic Editor of the *Eastern Times*, in which capacity he assisted in the organization of the "Returned Chinese Laborers Association," of which he was elected president. In 1921, owing to his attitude on the Chinese labor situation, the military and police placed Mr. Hsia's organization under surveillance, as a result of which Mr. Hsia went to Europe where he served as special correspondent for the *Eastern Times* of Shanghai and also as unofficial propagandist for the Chinese Delegation to the League of Nations. In 1923, Mr. Hsia was appointed a member of the Information Section of the League of Nations at Geneva, which position he still holds.

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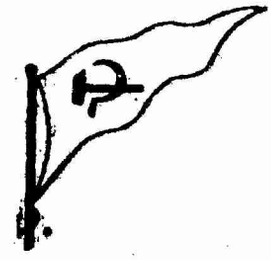
leadership of Dr. H. S. Quigley, professor of political science in the University of Minnesota. Dr. Quigley was one time a professor in Tsing Hua College, Peking, and has written many articles on China.

The residence in Avenue Joffre, French Concession, Shanghai, formerly occupied by Fu Siao-en, managing director of the China Merchants Steam Navigation Co., whose property the Nanking government is trying to sequestrate, has apparently been occupied by Joseph J. Keegan, whose name appears on the front gate. Mr. Keegan was formerly manager of a war-baby firm, Gaston, Williams & Wigmore, which later went into liquidation, and is now general manager of the China Merchants wharves.

United States Senator Hiram Bingham from Connecticut will be the guest and will speak at a joint meeting of the American University Club and the Shanghai Rotary Club on Thursday, August 4. The meeting will be held in the grill room of the Astor House hotel at 12:30 o'clock. Dr. Fong Sec, president of the University Club and a member of the board of directors of the Rotary Club, will preside. Senator Bingham who has been making a tour of the Far East is now in the Philippines, but expects to return to Shanghai shortly.



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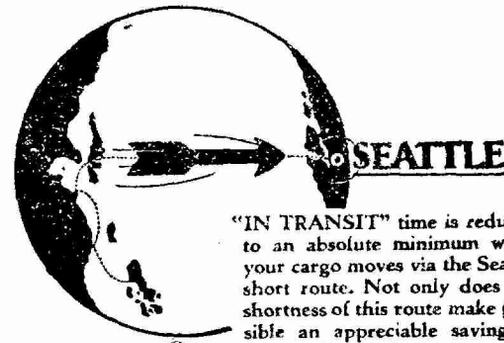

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41-305

Has The Chinese Nationalist Revolution Failed?

BY J. B. P.

As the Chinese political situation stands today, we find:

Marshal Chang Tso-ling, 'warlord of Manchuria' still supreme in Chihli and the Three Eastern provinces of Manchuria, while Generals Chang Chung-chang and Sun Chuan-fang, subordinates of Chang Tso-ling are in control of Shantung province.

Gen. Yen Hsi-shan, tupan of Shansi province, who calls himself a Nationalist is still in control of his territory, but seems to be wavering as to whether he will support the Nationalists or Chang Tso-ling.

Feng Yu-hsiang, the 'Christian General' has control of Kansu, Shensi and Honan provinces and is also affiliated with the Nationalists, but as yet is apparently undecided as to whether he is supporting the Nanking or Wu-Han factions.

Chiang Kai-shek, 'generalissimo' of the Nationalist forces, has control of Kiangsu, Chekiang and Fukien provinces and divides control of Anhwei with the Wu-Han faction. Gen. Chiang's chief subordinates are Generals Bei Tsung-chi and Ho Yin-ehin.

Tang Shen-tse, leader of the military forces affiliated with the Wu-Han Government, controls Hupeh, Hunan and Kiangsi provinces and divides control of Anhwei with Chiang Kai-shek. Gen. Tang's chief subordinates are Generals Ho Chien and Chang Fa-kwei.

Li Chi-shen, military leader at Canton, affiliated with Chiang Kai-shek, controls Kwangtung province and is said to have considerable influence in Kwangsi. Gen. Li's allegiance to Gen. Chiang Kai-shek is said to have cooled considerable lately.

This leaves Szechuen, Kweichow and Yunnan provinces without affiliations, but owing to their location they do not affect the general political situation materially.

Thus as we examine the Chinese political map, we find all of the country with the exception of Shantung, Chihli and Manchuria controlled by generals who are affiliated with the Nationalist movement, but even Marshal Chang Tso-ling has recently declared that he is a believer in Sun Yat-sen's Three People's Principles, yet despite his protestations Marshal Chang has just driven Chiang Kai-shek out of Shan-tung province and is defending himself against Feng Yu-hsiang and Yen Hsi-shan, who are trying to drive the Mukden warlord back into Manchuria.

Gen. Chiang Kai-shek, Now Preparing Drive on Wu-Han.

Nationalists Also Split up

Turning to the political map of the Nationalists, we find Chiang Kai-shek, leader of the Nanking faction in active conflict with Gen. Tang Shen-tse of the Wu-Han faction. Gen. Chang Fa-kwei, subordinate of Tang Shen-tse of Wu-Han now has control of Kiangsi province and is threatening to move down the Yangtsze against Chiang Kai-shek, while on the other hand reports from Canton state that Gen. Chang Fa-kwei has made a deal with Gen. Li Chi-shen of Canton and that Gen. Li shortly may issue a declaration against Chiang Kai-shek.

It would thus appear, superficially at least that the Nationalist movement has broken up into its component parts and that China has again degenerated into the sort of checker-board game which has characterized the politics of the country since the revolution, the only difference now being that the Nationalist movement has brought to the stage a number of new figures and eliminated a number of the old ones, most of whom have taken up their residence in Dairen in the Japanese leased territory in Manchuria.

Chiang Kai-shek in Tight Place

As for Gen. Chiang Kai-shek, his territory has been whittled down to Kiangsu, Chekiang and Fukien provinces and part of Anhwei. Reports from Peking state that Gen. Chiang Kai-shek is negotiating with Marshal Chang Tso-ling for an understanding and cooperative action against Wu-Han and the Christian General Feng Yu-hsiang, but Chiang Kai-shek has officially denied this. The truth of the matter probably is that Chiang Kai-shek has representatives in Peking and that these representatives have been trying to effect an understanding which would permit Chiang Kai-shek to withdraw his forces from Shantung and establish a truce, which would permit Chiang Kai-shek to devote his entire energies against the Wu-Han factions. But it is improbable that Chang Tso-ling will make an agreement of this kind when he holds the upper hand. In addition to this Chang Tso-ling probably would have difficulty in controlling the situation in Shantung province where the Fengtien general Chang Chung-chang has the dominant position. Chang Tso-ling would like to get rid of Chang Chung-chang and place Sun Chuan-fang in Shantung but Chang Chung-chang has his own ideas on this question and refuses to be set aside, even though Chang Tso-ling and the Japanese might desire it to come about.

Clash to Occur at Kiukiang

At the time of writing (Monday, July 25) Gen. Chiang Kai-shek is mobilizing his forces at Chinkiang for the attack on the Wu-Han forces which are stationed in the vicinity of Kiukiang. Chiang has been commandeering the ships of the China Merchants Steam Navigation Company for the purpose of transporting troops up the Yangtsze toward Kiukiang, these troops being commanded by Chiang's general, Ho Yin-chin. Foreigners returning from Hankow report that the Wu-Han Government is determined to overthrow Chiang Kai-shek at all costs and is bending every effort in that direction. Chiang Kai-shek, of course, has the most troops but it is extremely doubtful whether he can control them, while it is generally admitted that Wu-Han has a smaller but better controlled army, particularly the forces of Gen. Chang Fa-kwei in Kiangsi.

Wu-Han's Expulsion of the Communists

In the *People's Tribune*, organ of the Wu-Han Government, there appears a long translation of the report of the 'Presidium of the Political Council' which explains in detail the reason for the expulsion of the Communists. The decision to expel the Communist party from the Kuomintang resulted from the activites of the Communists in attempting to enforce the 'agrarian' policy in Hunan province in an 'illegal' manner and without respect to the wishes of the Central Executive Committee of the Kuomintang. According to latest reports from Hankow all of the Russian Communist advisers of the Wu-Han Government have departed for Russia and Borodin, the chief Soveit adviser who has been in Kuling is also planning to depart for home, traveling by way of Honan and Shensi. The Chinese Communists have also departed from Hankow and an effort is now being made to reorganize the Wu-Han Government, utilizing the more conservative members such as Eugene Chen, Sun Fo, and T. V. Soong. Mrs. Sun Yat-sen, wife of the late Dr. Sun Yat-sen, has resigned her political duties and is now residing in Shanghai and according to report is planning shortly to go abroad for a rest.

Real Reason for the Trouble

The break-up of the Nationalist movement as a unified political force was precipitated by the withdrawal of Gen. Chiang Kai-shek, following the capture of Nanking. However it had started earlier when Chiang Kai-shek was still in Kiangsi province and refused to attend the meeting of the Central Executive Committee of the Kuomintang which was held in Hankow early in the year. Chiang of course broke away from the Wu-Han Government on account of the activities of the Communists, but behind this were many personal jealousies and internal party quarrels, due chiefly to clashes between the military and civilian elements in the party. One

From the Chinese Press

July 19—*Toho* dispatch from Tokyo states that though negotiations are proceeding for a compromise between Chiang Kai-shek and the North, the negotiations may be long delayed requiring at least a month for definite development; also reported that Gen. Yan Hsi-shan, tupan of Shansi has representative in Peking participating in conversations—Fengpiao, or Chang Tso-ling currency in Manchuria jumps from 1,050 to the Yen 100 to 980 for Yen 100 owing to rumors of compromise between Chiang Kai-shek, Yen Hsi-shan and Chang Tso-ling—Japanese Government definitely announced appointment of Jotaro Yamamoto of the South Manchuria Railway Company—Later *Toho* report from Peking states definitely that Ho Cheng, representing Chiang Kai-shek and Nan Kuei-hsing, representing Gen. Yen Hsi-shek have arrived in Peking to confer with Chang Tso-ling on the subject of a compromise and alliance against the 'reds' otherwise Feng Yu-hsiang and Wu-Han—Gen. Ho Chien, commander of the Nationalist 35th army carries out coup d'etat at Hankow as result which Mrs. Sun Yat-sen announces her retirement from politics issuing a statement that the revolution has failed and that Chinese politics has reverted to another military cycle—*Kuo Min* agency report states that Women's Bazaar at Shanghai succeeded in raising the sum of $60,000 for relief work among the troops—Gen. Chu Shou-liang of Nationalist army at Nanking announces that military financial requirements amounted to $21,000,000 monthly, of which some $2,000,000 had to be remitted to Feng Yu-hsiang and $4,000,000 to Canton—Owing to uncertainty regarding the attitude of the Northern fleet at Tsingtao several of the ships have been transferred to Dairen—*Kuo Wen* report from Loyang quotes Feng Yu-hsiang as declaring that the Wu-Han Government should be dissolved and that Yen Hsi-shan should manage the Northern campaign against Chang Tso-ling—Sun Chuan-fang still in Peking trying to arrange for the financing of his army.

July 20—Nanking reported to have concentrated 19,000 forces at Wuhu—Chang Hsueh-liang, son of Chang Tso-ling, in *Toho* interview states that Chiang Kai-shek is in a difficult position making negotiation with the North necessary—Canton authorities decide to release communists who have been confined since coup d'etat in April, last—2,000 students from the Whampoa Cadet Academy in Canton being brought to Shanghai to help Chiang Kai-shek—Japanese Chamber of Commerce in Shanghai demands that Japanese Government take action to stop the anti-Japanese boycott—Mrs. Sun Yat-sen resigns from political activities declaring that the Kuomintang principles are being violated by the militarists and that the social and political revolution is finished—Eight Chinese, five from Mukden and one each from Mongolia, Kueichow and Hunan, graduate from the Tokyo Military Academy—General Ho Chien, following coup d'etat at Hankow clamps lid on civilian government—

foreign observer of the present situation recently expressed it this way: The Chinese people have the banners and the slogans, but the militarists have the soldiers and the rifles.

What the Future Has in Store

On the face of things the political situation in China at the present is more muddled than it has been for years and as stated in the foregoing, it appears superficially that the Nationalist movement has broken up. This is true on the surface, but underneath the Chinese are more or less unified on the question of Nationalism, the best proof of which was recently given when Marshal Chang Tso-ling, military dictator of Manchuria, was compelled by the force of public opinion to declare that he favored the Kuomintang program of Sun Yat-sen. At the present time the generals are again having a go at it and are seizing all the funds and again turning China into a bedlam, but forces for civilian government in China have not been killed and are bound to reassert themselves again in the future. But for the present the situation is not bright either for the Chinese or for the foreigners, particularly the business men.

Kuomintang Calls Plenary Conference

According to a Japanese *Toho* agency report from Hankow on Monday, July 25, the Central Executive Committee of the Kuomintang has called a plenary conference to be held in Wu-Han on August 14 for the purpose of settling the question of the membership of the Communists Party in the Kuomintang. The agenda includes consideration of resolution (1) a demand that the Communists should resign from all branches of the Kuomintang, including the army; (2) communists are prohibited from taking any action which might obstruct the Nationalist revolutionary movement; (3) members of the Kuomintang are not permitted to have any other party affiliations without permission of the Central Executive Committee.

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Su Chao-cheng, chairman of the all China Labor Federation at Hankow resigns and place filled by Chen Kung-po, a moderate; all communists kicked out of Wu-Han Government following coup—In anticipation of alliance between Chiang, Yen and Chang, Gen. Chang Hsueh-liang begins organization of five mixed brigades for purpose of moving against Feng Yu-hsiang in Honan—Chang Tso-ling suggests to delegates from Chiang Kai-shek and Yen Hsi-shan that all parties combine against the Wu-Han Government and Feng Yu-hsiang; following which political conference should be called—Chang Tso-ling summons Gen. Wu Chung-sheng, tupan of Heilungkiang and Gen. Chang Tso-hsiang, tupan of Kirin and Gen. Kan Chao-hsi from Mukden to discuss compromise with Chiang and Yen—Chang Tso-ling calls conference of Wu Chung-sheng, Chang Tso-ling, Sun Chuan-fang, Yang Yu-ting, Han Lin-chun and Chang Hsueh-ling to discuss measures against Feng Yu-hsiang—*Reuters* report from Peking not so enthusiastic over prospects of compromise between Nanking and Peking—Kuomintang Central Executive Committee of Kuomintang asks Nanking Political Council to prohibit Chinese students from attending Sun Yat-sen University at Moscow—Nanking Government announces that new factory laws will be enforced on September 1 for purposes of taxation of native products—*Kuo Wen* report states that Shansi and Peking have not yet entered into an agreement—Gen. Ho Chen, agent of Chiang Kai-shek announces that he is in Peking merely to discuss means of solving the military situation in advance of solving the political situation—Japanese take lead in advocating strong measures against the Nanking tax program—*Kuo Wen* report states that Feng's troops have reached Taian, Shantung and have cut the line of retreat for the Northerners—Also reported that Gen. Hsu Teh-tsung of Fengtien army in Shantung has gone over to South—Also reported that one regiment of Sun Chuan-fang's troops in Shantung have gone over.

July 21—Madame Sun Yat-sen departs from Hankow for Kuling; *Toho* report from Hankow states that Wu-Han's break with the communists was due to pressure brought upon Kuomintang by 2nd, 6th, 8th, 15th, 25th and 36th armies of Tang Shen-tse as well as Ho Chien; Gen. Chang Fa-kwei, who apparently sympathizes with the communistic branch, has moved his forces to Kiangsi and according to report may move back to Canton, in which case Borodin and the more radical members of the Kuomintang may accompany him—*Toho* report from Peking states that the negotiations going on in Peking between Chiang Kai-shek and Chang Tso-ling are really for the purpose of concluding an armistice in Shantung, this being due to Chiang Kai-shek's weak position; reported that no decision reached in the negotiations in respect to Yen Hsi-shan and Chang Tso-ling, owing to Yen's arbitrary attitude—Japanese interests make deal with Russians for import into Japan of Russian platinum, future imports to be direct instead of through America and England as previously—*Toho* report from Peking states that Chang Tso-ling has demanded that Chiang Kai-shek evacuate Hsuchowfu as a condition for declaring an armistice, Marshal Chang claiming that he requires control of the Lung-Hai Railway in order to oppose Feng Yu-hsiang—*Reuter's* report states that Feng Yu-hsiang has called a conference in Loyang of representatives of Tang Shen-tse and Chiang Kai-shek in order to try to unify the Nationalists again—*Kuo Min* (Nanking official) report states that Chiang Kai-shek has denied that he is negotiating with Chang Tso-ling for an armistic—Ministry of Finance in Nanking informs Chinese Commerce Chamber in Shanghai that silver embargo is purely to prevent silver shipments to Wu-Han and to Northern ports, but that there are no restrictions on shipments to the South or inside Nanking Government territory—Nanking Government appoints K. P. Chen, Shanghai banker to investigate affairs of Russian Dalbank—Chiang Kai-shek appoints commission to begin survey for road between Nanking and Hangchow, hoping to have road open within year from beginning of construction. Dr. C. C. Wu, Nanking Foreign Minister, comes to Shanghai in order to discuss with Consular Body the question of the abolition of likin and imposition of increased customs duties—*Kuo Wen* report from Peking states that Japanese interests are exerting themselves to bring about an alliance between Chiang Kai-shek, Yen Hsi-shan and Chang Tso-ling—Nanking appoints Wang Kun and Wu Hsin-tse to head Cigarette Tax Bureau in Chekiang and Anhwei—*Kuo Wen* states that the Shanghai Municipal Council is adopting strong methods to enforce tax increase, having withdrawn licenses from several Chinese hotels and banks—Hwang Fu, Mayor of Chinese Shanghai has appointed Tung Hsiu-cha as special counsellor for the Chinese municipality, Mr. Tung being a well-known Chinese student and authority on municipal administration.

July 22—Chiang Kai-shek's gunboat *Changan* bombards Chang Fa-kwei's troops at Huayangchen, between Kiukiang and Anking, but no response from troops; believed decisive engagement likely shortly—Nationalist troops retreat in Shantung and Northerners recapture Lincheng, claiming 1,000 prisoners—Reported that Wu-Han influence growing at Canton—Gen. Wang Pu at Anking has wired Chiang Kai-shek for reinforcements claiming situation serious—Peking Government asks for prolongation of period for negotiating new treaty with Japan—Anti-Japanese agitations and boycott break out in Kaingsi province at Kiukiang and Nanchang—Kiukiang message states that Wu-Han now has 50,000 troops in Kiukiang and advancing rapidly into Anhwei—Reported that Wu-Han in advance on Chiang Kai-shek is using exactly the same route and plan of campaign which Chiang Kai-shek used against Sun Chuang-fang—N. Y. K. office in Kiukiang asks Japanese consulate here for gunboat owing to increasing disorder—*Kuo Min* (Nanking) agency report states that Quo Tai-chi has released six Russians seized on the steamer *Henli* upon orders of Chiang Kai-shek—Gen. Yang Hu, defense commissioner at Shanghai issues order against 'puerile' conduct in connection with patriotic demonstrations; order thought to be directed against the anti-Japanese boycott—Nanking Ministry of Foreign Affairs issues report on May 9 incident at Amoy when Municipal Police opened fire on Chinese parade held as demonstration against Japanese Twenty-one Demands of 1915—*Kuo Wen* report from Nanking states that Feng Yu-hsiang's troops are taking positions in Shantung on the Tientsin-Pukow line, that Feng's troops are being transported to the East over the Lung-Hai and that ammunition is being supplied from Nanking—Nanking Finance Ministry claims that opium will be eradicated in three years—Gen. Ho Yin-chin, Nationalist Commander arrives in Shanghai and is entertained by Chinese Commerce Chamber.

July 23—*Toho* message from Peking states that Feng Yu-hsiang is receiviag a sum of $2,000,000 monthly from Chiang Kai-shek; Feng's army is still stationed in and about Loyang—*Toho* claims that Haichow has been recaptured by the Northern Navy—Peking report states that Northern troops have reached a point 10 li north of Hsuchowfu and that Hsuchowfu will shortly be recaptured—Tokyo report states that Premier Tanaka held conference with Count Kodama, governor-general of the Kwantung Leased territory, Minister Yoshizawa from Peking and Yamamoto and Matsuoka president and vice-president of the South Manchuria Railway on the question of Manchuria and Mongolia—*Kuo Min* (Nanking) Agency announces list of officials appointed heads of various departments of Shanghai Chinese Municipal Government, most of them being returned students from America and Europe—Nanking appoints C. C. Wu, Wang Chung-hui, Tai Chi-tao, Ma Tso-tsin, Wang Shi-chih and Yu Yu-teh as commission to draft labor laws—*Kuo Min* dispatch states that Nanking Government has decided to adopt regulations leading to the elimination of opium within a period of three years—*Kuo Wen* report from Peking states that while representatives of Chiang Kai-shek and Yeh Hsi-shan are still in Peking that the 'peace' movement is still in abeyance; reported that conservative elements in Manchuria are opposed to the peace movement—Peking Cabinet decides to prolong the Sino-Japanese treaty negotiations for another three months—Dr. Wang Chung-hui, Minister of Justice at Nanking announces that plans have been perfected for (1) editing the new Chinese code so as to make it applicable to conditions in the country and (2) establish a supreme court to function in provinces under Nationalist control—*Kuo Wen* report from Hankow claims that T. V. Soong and Sun Fo have both gone into hiding—Nanking decides to cancel embargo on flour which was ordered previously, owing to protest of Shanghai merchants—Tingtao reports serious street brawl between Chinese and Japanese troops and police.

July 24 Toho dispatch from Peking reports that Northern or Shantung troops have captured Hsuchowfu—Tsingtao report from same source states that Northerners are desirous of annexing as much territory as possible previous to discussing peace terms with Chiang Kai-shek—Yoshie Saito, director of the Commercial Bureau of the Foreign Office and Tsunstake Komu superintendent of Yokohama Customs, appointed directors of the South Manchuria Railway Company—Japanese department of communications announces reduction of 30 percent in cable rate for press messages between Japan and China, new rates to become effective on July 25—Japanese reports from Tsinan state that Northern troops captured considerable ammunition and military stores as a result of the evacuation of Chiang Kai-shek's forces.

July 25—Gen. Chiang Kai-shek mobilizing forces at Chinkiang for purpose of attacking Wu-Han forces under Gen. Chang Fa-kwei, which are advancing down the Yangtsze from Kiukiang, Gen. Chiang Kai-shek's troops being commanded by Gen. Ho Yin-chin—*Toho* report from Hankow states that Central Executive Committee of Kuomintang has issued call for plenary meeting of Kuomintang at Hankow on Aug.

New Books of Interest in the Far East

The "Go Getter" In Religious Work

"Elmer Gantry", a Novel by Sinclair Lewis. London: Jonathan Cape.

In common with several other novels by the same author, this is a "roast" on a certain phase of American life, and as a result it has enyoyed a wide sale in England. It is the story of the "go getter" in religious work, the type that counts the conversions by the number who come up to the platform to shake hands. Undoubtedly some of the characters described are very close approximations to certain real personages, and this author, like Somerset Maughan, must protect himself by a statement that no real person is described.

These authors who want to poke fun always seem to pick on Missouri or Kansas. One can't help but feel that Baptists or Methodists must squirm a bit when they read "Elmer Gantry." It is a highly overdrawn story, just as "Uncle Tom's Cabin" was. But incidents parallel to those described probably occur in real life, only they don't all happen in connection with one individual.

Undoubtedly more people who are not "religious" will read this book than those who are. Despite its rather racy references,—the "hero" mixed his drinks, his love affairs, and his religious work very much indeed—many a person may be induced through the reading of this "scream" to investigate theological subjects. After all, religious organizations are human affairs and they have their problems as such. The Methodists solve theirs in one way and the Baptists in another, but between them they are the leaders of the religious life of America.

It is a raw tale all the way through. The renowned preacher is exhibited in the beginning as a student who is drunk and the tale ends with his making an unctious appeal to his congregation to believe that he was innocent, the affair in question being a story in connection with his female secretary.

One can hardly keep a straight face when one reads how Elmer felt that he had received the Call, after his friend had boosted up his spirits with a stiff drink of 'bootleg' whisky. And then that wonderful sermon on Love, and the success he has with it in securing conversions—all based on a chapter from Ingersoll which he had copied in his notebook during his college days! Probably not one person in a thousand who heard him had ever read any of Ingersoll's writings anyways.

Criticize "Elmer Gantry" all you will because of its rather undignified way of treating religious subjects, but it will undoubtedly have its beneficial effects. Evangelistic work, particularly by certain female devotees, has at times descended to the uttermost depths of emotionalism, the principal object being to have the audience "come across." Too many pastors in the United States allow matters of sex to interfere with their holy calling, and one of the effects of the widespread reading of this novel will be that the public censorship upon the lives of those who wear the cloth will be intensified, and as a result the more unworthy will be weeded out.

However, if by any chance this book, or the essential parts of it, are translated into Chinese, the missionaries will have an even bigger job of explaining on their hands than they have at present.

G. W. M.

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15 for the purpose of settling the question of the Communists-Borodin returns to Hankow from Kuling and according to report will shortly return to Russia, traveling by way of Honan and Shensi—Mrs. Sun Yat-sen, according to report will shortly go to the United States—*Toho* report from Canton states that anti-Chiang Kai-shek sentiment growing in Canton, that Chiang's appointees are being kicked out and that Gen. Li Chi-shen, commander at Canton is likely to make a combination with Chang Fa-kwei in Kiangsi against Chiang Kai-shek.

July 26—Toho states that Fengtien first battle line at Chengting has been moved back to Tinghsien owing to the fact that the Shansi troops have entered Chengting, but no clashes have as yet taken place between Fengtien and Shansi; Fengtien also withdraws forces from Techow to Paotingfu—Peking Government dispatches officials to Tsingtao to inquire into recent clash between Japanese and Chinese—Col. Chuon Sakurai, head of 'journalism' department of Japanese Foreign Office, goes to Korea and Manchuria on inspection trip—Peking Wireless office begins broadcasting service and 10 persons apply for licenses to listen-in among them being Chang Hsueh-liang, son of the Mukden warlord—Tomojiro parliamentary under-secretary of Japanese War Office arrives in Shanghai to inspect conditions and later will go to Nanking to see Chiang Kai-shek—*Kuo Min* (Nanking official) news agency publishes complete regulations on abolitions of likin and increase of customs duties on Sept.

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Oxford University Press

44 Peking Road, Corner of Museum Road, Shanghai.

1—Gen. Ho Chen. who has been representing Chiang Kai-shek at Peking has departed from Peking and according to *Kuo Min* report he was unable to induce Chang Tso-ling to agree to put in the committee form of government—Col. Yao, subordinate of Wu Pei-fu reports that Wu's forces have been completely broken up and that even Wu's staff disappeared—Fengtien begins concentration of machine guns and artillery at Paotingfu—*Kuo Min* states that Feng Yu-hsiang is forcing his troops in Honan to help the farmers harvest their grain and that Feng is forcing the towns in Honan to clean their streets, in some instances Feng took the lead and used the broom himself—*Kuo Min* report states that Gen. Ho Chien of Hankow has sent representatives to Nanking to confer with Chiang Kai-shek—Sun Chuan-fang succeeds in obtaining financial assistance from Chang Tso-ling and returns to Shantung from Peking—Nanking stages celebration to stir up enthusiasm for the drive against Wu-Han—Chinese General Chamber objects to plan of foreign banks to refuse to accept native orders as retaliation for Nationalist silver embargo, Chinese threatening to refuse payment of godown rents—Shansi troops reported on the move against Chang Tso-ling.

July 27—Fengtien party, according to *Toho* message from Peking, decides to cease hostilities and to order Gen. Chang Chung-chang not to advance further south than Hsuchowfu and to order Sun Chuan-fang to concentrate at Techow in northern Shantung and southern Chihli in order to guard against possible attack by Feng Yu-hsiang—*Kuo Min* (Nanking) agency issues complete 'luxuries' schedule of customs duties to be placed in effect September 1 when likin is abolished—Quo Tai-chi, Commissioner of Foreign Affairs also appointed vice-minister of Foreign Affairs.

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price July 14th	Sale Price July 21th	Approx. Yield to Maturity July 21th
Czecho-Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	107¾	108	7.30
Czecho Slovak Government Ext. S.F. Loan..	7½	Oct. 1, 1945	105⅛	105½	6.95
Republic of Chile S. F. Loan	7	Nov 1, 1942	101	101	6.90
Argentine Government Ext. S. F. Loan.....	6	May. 1, 1960	99⅛	99	6.05
Kingdom of Italy, Ext. S. F. Loan.....	7	Dec. 1, 1951	94⅜	94⅝	7.50
Austrian Government S. F. Guaranteed Loan..	7	June 1, 1943	104	102½	6.75
French Government Ext. S. F. Loan.....	8	Sep. 15, 1945	110½	111	6.90
Japanese Govt. (£)	5	1907/1947	80	81¾	6.65
German Governments S. F. Loan.....	7	Oct. 1, 1949	106⅞	106⅞	6.40
Deutsche Renten Bank 1st Lien Farm Loan	7	Sept. 15, 1950	101⅞	101⅝	6.85
Saxon Public Works Inc. 1st Mtge. Guaranteed S. F. Loan....	7	Feb. 1. 1945	101⅜	101⅜	6.85
German General Electric Co. S.F. Loan....	7	Jan. 15, 1945	104⅛	105⅛	6.50
Finnish Guaranteed Municipalities S. F. Loan	6½	Oct. 1, 1954	98	98	6.65
Chicago Rapid Transit 1st. & Refunding Mtge.	6½	July 1, 1944	98	98	6.70
Northern Ohio Power & Light Co. Debentures .	6½	Jan. 1, 1941	98½	98½	6.65
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	100¼	100¼	7.50
Camaguey Sugar Co. 1st. Mtge. S. F. Loan	7	Oct. 15, 1942	99⅜	100	7.00
Pennsylvania Dixie Cement Corpn. Cumulative	7	Pfd. Stock	97⅛	97¼	7.18
Victor Talking Machine Company Cum. Prior..	7	Pfd. Stock	97½	97⅝	7.21
Willys Overland Co.....	7	Pfd. Stock	90	90	7.78
The National City Bank of New York.....	20	Stock	560	560	3.57

The National City Company, The National City Bank Building, No. 2A Kiukiang Road, Shanghai, China.

These quotations are subject to confirmation by the National City Company of New York.

Shanghai Exchange for Week Ending Wednesday, July 27, 1927

By Maitland, Fearon and Brand

Echange :—The price of Bar Silver in London has declined $\frac{3}{16}$d. during the past week, today's quotation is 26 $\frac{1}{16}$d. ready and forward. The official T/T rate on London remains unchanged at 2/6$\frac{1}{2}$d. The exchange market during the week has been extremely quiet and in the absence of business steady. No. special feature attaches to the market which at the moment is lifeless. With the present demand from importers so small the undertone seems steady. The following rates for Gold remittances are available at the close of today's business:—T/T on London 2/6$\frac{7}{8}$d., New York 62 $\frac{0}{8}$, Yen 75$\frac{1}{4}$. 4 m/s export paper can be placed, Sterling 27$\frac{1}{16}$d., G. 63\frac{7}{8}$.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver.....Tls. 63,537,000 a decrease of Tls. 1,489,000
Chinese and Mexican Dollars..... $82,110,000 an increase of $ 240,000
Estimated value Tls. 122,656,000 as against Tls. 123,538,000 held at this time last year.

	Average rates for June	Thursday July 21	Friday July 22	Satur. July 23	Mon. July 25	Tuesday July 26	Wednesday July 27
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/6.636	2/6$\frac{1}{2}$	2/6$\frac{1}{2}$	2/6$\frac{1}{2}$	2/6$\frac{1}{2}$	2/6$\frac{1}{2}$	2/6$\frac{1}{2}$
D/Dfts ,,	—	2/6 $\frac{9}{16}$	2/6 $\frac{9}{16}$	2/6 $\frac{9}{16}$	2/6 $\frac{9}{16}$	2/6 $\frac{9}{16}$	2/6 $\frac{9}{16}$
4 m/s ,,	—	2/6$\frac{3}{4}$	2/6$\frac{3}{4}$	2/6$\frac{3}{4}$	2/6$\frac{3}{4}$	2/6$\frac{3}{4}$	2/6$\frac{3}{4}$
T/T India	170.708	170$\frac{1}{4}$	170$\frac{1}{4}$	170$\frac{1}{4}$	170$\frac{1}{4}$	170$\frac{1}{4}$	170$\frac{1}{4}$
T/T France	1.571.416	1575	1575	1575	1575	1575	1575
T/T N. Y.	62.021	61$\frac{3}{4}$	61$\frac{3}{4}$	61$\frac{3}{4}$	61$\frac{3}{4}$	61$\frac{3}{4}$	61$\frac{3}{4}$
T/T Demand		61$\frac{7}{8}$	61$\frac{7}{8}$	61$\frac{7}{8}$	61$\frac{7}{8}$	61$\frac{7}{8}$	61$\frac{7}{8}$
T/T Hamburg		259$\frac{1}{2}$	259$\frac{1}{2}$	259$\frac{1}{2}$	259$\frac{1}{2}$	259$\frac{1}{2}$	259$\frac{1}{2}$
T/T H'kong	78.615	79	79	79	79	79	79
T/T Japan	75.333	76	76	76	76	76	76
T/T Batavia	154.312	153$\frac{1}{4}$	153$\frac{1}{4}$	153$\frac{1}{4}$	153$\frac{1}{4}$	153$\frac{1}{4}$	153$\frac{1}{4}$
T/T Straits	90.844	91$\frac{1}{4}$	91$\frac{1}{4}$	91$\frac{1}{4}$	91$\frac{1}{4}$	91$\frac{1}{4}$	91$\frac{1}{4}$
Bk's buying rates							
4 m/s B/L. Cred/D/A	2/8.636	2/8$\frac{1}{8}$	2/8$\frac{1}{8}$	2, 8$\frac{1}{8}$	2/8$\frac{1}{8}$	2/8$\frac{1}{8}$	2/8$\frac{1}{8}$
4 m/s ,, D/P	—	2/8$\frac{5}{16}$	2/8$\frac{5}{16}$	2/8$\frac{5}{16}$	2/8$\frac{5}{16}$	2/8$\frac{5}{16}$	2/8$\frac{5}{16}$
6 m/s ,, B/L Cred D/A	2/8.948	2/8$\frac{13}{16}$	2/8$\frac{13}{16}$	2/8$\frac{13}{16}$	2/8$\frac{13}{16}$	2/8$\frac{13}{16}$	2/8$\frac{13}{16}$
4 m/s B/F Cred D/A or D/P	1.710.416	1705	1705	1705	1705	1705	1705
4 m/s N.Y.Lc.	65.521	65$\frac{1}{2}$	65$\frac{1}{2}$	65$\frac{1}{2}$	65$\frac{1}{2}$	65$\frac{1}{2}$	65$\frac{1}{2}$
4 m/s ,, Docs	—	65$\frac{3}{4}$	65$\frac{3}{4}$	65$\frac{3}{4}$	65$\frac{3}{4}$	65$\frac{3}{4}$	65$\frac{3}{4}$

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling. Bullion.	July 21	July 22	July 23	July 25	July 26	July 27
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	26$\frac{1}{2}$	26 $\frac{1}{16}$	26 $\frac{1}{16}$	26$\frac{1}{2}$	26 $\frac{1}{16}$	26 $\frac{1}{16}$
**New York Price of Bar Silver per oz. (Pure)	G. $.56$\frac{3}{4}$	G. $. 56$\frac{5}{8}$	G. $. 56$\frac{1}{2}$	G. $. 56$\frac{1}{4}$	G. $.56$\frac{3}{4}$	G. $.56$\frac{5}{8}$
Shanghai Price of Gold Bars (weight Tls. 10 (Changing) 978 touch).....	Tls. 363.80	Tls. 364.80	Tls. 364.80	Tls. 363.80	Tls. 363.80	Tls. 364.80
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	110.90	110.90	110.90	110.90	110.90	110.90
Shanghai Mexican Dollars per $100.....	72.5125	72.45	72.30	72.325	72.50	72.537$\frac{1}{2}$
Native Bank Rate of Interest (Call money).....	4%	8%	10%	7%	8%	10%
*Closing Price in Lond on for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	4$\frac{1}{2}$%	London Paris on	T/T 124.07
Bank of France rate of discount	5%	New York on London	T/T 485$\frac{7}{8}$
London open Market of Dis. 3 m/s	4$\frac{3}{16}$%	Bombay on London	T/T 1/5$\frac{27}{32}$
,, 4 ,,	4$\frac{3}{16}$%	Hongkong on London	T/T 1/11$\frac{7}{8}$
,, 6 ,,	4$\frac{3}{16}$%	Kobe on London	T/T 1/11$\frac{7}{32}$